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Progress of AFTA Council Session Reported

BK2112013192 Bangkok BANGKOK POST in English 21 Dec 92 p 22

[By Ratchaphon Laowanit and Anuphong Chaiyaritthi]

[Text] After the confusion of the ASEAN economic ministers' meeting in Manila in October, this month's ministerial council meeting in Jakarta to complete the first steps towards establishment of the ASEAN Free Trade Area [AFTA] went smoothly.

This third meeting of the AFTA Council sent a signal to the world's trading community that from January the 25-year-old ASEAN will undergo an important change. The six member countries have begun to realise that competition does not come from within the group, but from outside.

On January 1 the first step of free trade programme under AFTA will take place, with full free trade to be realised in 15 years.

Next year, each ASEAN country will start its plan to cut the tariffs on a few hundred of products by a small rate. All ASEAN countries need a long time to reform,their economies, with trade liberalisation being carried out step-by-step to help their industries adjust.

However, Thailand emerged well from the AFTA Council meeting, having shaken off the suspicions in October that it was backtracking. It ended up as one of the most liberal ASEAN members as far as the first step is concerned. But overall, the outcome was not quite as progressive as some had hoped, with several countries submitting substantial lists of exclusions.

Several developments around the world could significantly change the trading environment, as evidenced by the formation of a North American Free Trade Agreement (NAFTA), and the move of the European Community (EC) to form a single market next year, although there is still uncertainty about the Uruguay Round of world trade talks.

As a result, ASEAN needed to renew its vision of a rapidly-changing global economic environment, because external forces will not allow ASEAN to stand still.

"The rapidly growing greater South China economic zone is also a strong competitive threat which could draw investments away from ASEAN. The need to move forward in economic cooperation is greater," said Deputy Prime Minister Dr Suphachai Phanitchaphak, who headed the Thai delegation to this meeting.

He said although the South China region is not yet strong enough to compete with ASEAN, it will play a greater role as a world economic zone in the next decade. The six member countries of ASEAN must prepare for this dynamic change.

According to the joint statement of the AFTA Council, all member countries are confident that the creation of AFTA will enhance intra-ASEAN trade and contribute to the openness of the ASEAN economy because it will stimulate foreign and ASEAN investment through networking and complementary industrial activities.

But details of the tariff cuts programme proposed by member countries last week show that internal developments within ASEAN, especially the levels of industrialisation in all member countries, have made closer economic cooperation harder than they expected.

At the meeting of the ministerial council in Jakarta on December 11 heads of all six delegations submitte their lists of products with a timeframe for cuts.

Last January in Singapore, the ASEAN heads agreed to adopt two programmes, one a fast track programme; the other a normal track for tariff reduction under the common effective preferential tariffs (CEPT) scheme, a main mechanism to achieve 0-5 percent import tariffs on manufactured and processed goods within ASEAN.

The fast track applies to the 15 product groups identified at the fourth summit in Singapore last January. All member countries are committed to participate in the 15 product groups with minimum temporary exclusions. For such products, tariffs above 20 percent will be reduced to 0-5 percent within 10 years and tariffs at 20 percent or below will be reduced to 0-5 percent with seven years.

Under the normal track, all tariffs with applicable ASEAN rates of 20 percent and below will be reduced to 0-5 percent within 10 years, and tariffs above 20 percent will be reduced in two stages: first, to 20 percent within 5-8 years and subsequently to 0-5 percent in seven years.

At the same time, the agreement has provided an opportunity for any individual country to exclude some products from the tariff cut programmes during the eight years of the implementation under an "exclusion list".

However, because of a need for a substantial domestic economic reform programmes in all ASEAN countries, almost all ASEAN countries were unable to fully start their programme next month as scheduled.

Before the latest AFTA Council meeting in Jakarta, Thailand was criticised by other ASEAN members at the Manila meeting because of its unclear position on the programme.

At that time, Malaysian International Trade and Industry Minister Rafidah Aziz, one of the most outspoken critics, said that for AFTA to succeed, much work must be done. It cannot afford AFTA to be a non-starter simply because ASEAN allows bureaucratic constraints to hamper efficiency.

Dr Suphachai, who who had just taken the job at that time, decided to change Thailand's position by promising to go along with the AFTA plan.

He said he was confident the diversified Thai industrial sector would be able to adjust to compete with that of other ASEAN countries.

"After we held talks with all related public and private sectors, there was no doubt the country would gain from AFTA. The Government tried to set a minimum number of temporary exclusions under the fast track."

Initially, it was expected that Thailand would have proposed the largest number of items for exclusion, but its list emerged as one of the shortest.

Comparisons have to be interpreted with care, however, because the lists are based on different levels of detail. Products are identified according to their code numbers under the harmonised system of internationally-recognised tariff classifications.

The codes are organised according to the number of digits: one- or two-digit codes cover broad sectors or groups of products. These are broken down into greater detail using longer numbers, the most detailed running to nine or ten digits.

A country excluding one "product" at the single-digit level is therefore being far more protectionist than one excluding 500 products at nine digit level.

There are 5,200 items at six digit level on Thailand's Customs tariff scale.

Thailand has proposed 1,938 items for the fast track and has excluded only 150 items.

The 150 items are in three sub-sectors: petrochemical products, plastics and electrical parts and components because the upstream and downstream petrochemical industry takes time to adjust.

On the normal track, Thailand will include 2,764 items and exclude only 118.

According to Finance Permanent Secretary Bandit Bunyapana, chief of the Thai delegation which took part in drawing up the lists, Thailand's excluded items are few, comprising palm oil, coconut oil, soybean oil automobile parts and components, pork, some luxury items and liquor.

"We have to withdraw part of the vegetable oil sector because the Government wants to restructure its whole policy on vegetable oil within eight years before making a final decision whether to phase them into the tariff reduction programme," said Dr Amphon Kittiamphon, chief for the agricultural policy section of the Office of Agricultural Economics.

However, Fiscal Policy Office director-general Somchai Ruchuphan said that compared with the lists of other ASEAN countries, Thailand has shown determination to proceed with AFTA. The temporary exclusion list means the country will try to bring all excluded items back to the fast track as soon as possible.

Because of poor economic development in the Philippines, the Ramos Administration's list of items for the programme was inadequate.

Manila proposed only 4,112 items to participate in the tariff cuts, representing only 73.94 percent of its total products .

The Philippines withdrew 1,158 items from the fast track list and agreed 862 items would be included.

A total of 1,199 items were put on the exclusion list.

Manila's Trade and Industry secretary, Rizalino Navarro, said slow progress in the Philippines' economic development, compared with that of other ASEAN members, is a major reason for this.

"The Philippines Government has endorsed an economic reform plan to encourage foreign investment. It needs time before becoming as active a participant as the others."

Mr Navarro said the government decided to exclude more than 600 items in the textile sector and a few hundred leather items from the fast track because these industries are not strong enough to compete with those in Thailand and Indonesia.

At the same time, the Philippines has opted for a three-year- grace period before starting to cut its tariffs under the fast track.

Indonesia withdrew 892 items from the fast track and put 816 on the exclusion list out of 9,161 products in all.

Because of inadequate support industries and infrastructure for local industries, Indonesia has expressed concern that investment could be drawn away. It has opted to protect its small-scale industries.

The Suharto Government had earlier wanted to set an additional requirement on the rules of origin for "ASEAN-made" products.

The Malaysian Government created serious trouble for AFTA by asked for a review of the definition of processed agricultural products. Malaysia disagreed with the Philippines proposed list which was based on a United Nations' study adopted at the special meeting of senior economic officials in November; Malaysian Minister Rafidah Aziz said: "We will wait until a clear definition is announced. We suggested that some items should be excluded from the list."

AFTA Inclusions and Exclusions

Nation	Brunei	Indonesia	Malaysia	Philippines	Singapore	Thailand
Category Digit-Level	9	9	9	9	9	9
Total Products	6,544	9,161	11,746	5,561	5,832	5,200
"Fast-track"						
Total products	2,007	4,057	3,809	2,020	2,200	2,086
Total Included	1,826	3,165	3,251	862	2,200	1,936
Percent Included	90.98	78.01	85.35	42.67	100.00	92.81
Total Excluded	181	892	558	1,158	0	150
"Normal track"						
Total Included	4,357	4,288	6,895	3,250	3,514	2,764
Percent Included	66.58	46.81	58.70	58.44	60.25	53.15
Total Excluded	166	816	648	1,199	0	118
Total Both Tracks						
Total Products	6,183	7,453	10,146	4,112	5,714	4,700
Percent Products	94.48	81.36	86.38	73.94	97.98	90.38

Japan

Panel Stresses Importance of U.S. Presence

OW1812162092 Tokyo KYODO in English 1551 GMT 18 Dec 92

[Text] Tokyo, Dec. 18 KYODO—An advisory panel to Prime Minister Kiichi Miyazawa emphasizes in a draft report the importance of the U.S. military presence to maintain peace and stability in the Asia-Pacific region.

In its draft report, the panel also points to the need for Tokyo and Washington to reconfirm the necessity of the Japanese-U.S. mutual security treaty and the region's diversification and openness.

The report also recommended the creation of a framework to deter regional conflicts and emphasizes the need to teach the lessons of World War II.

Also called for is an increase in Japan's official development assistance to expand economic growth in the region, as well as more frequent cultural and academic exchange and more Japanese-language education to promote understanding among different regional cultures.

The draft report was made available one week before the private panel advising Prime Minister Miyazawa is expected to present him with the report on Japan's role in the Asia-Pacific region into the 21st century, government officials said.

The panel, headed by Keio University President Tadao Ishikawa held a meeting at the prime minister's official residence on Friday to finalize the draft.

Miyazawa set up the group in May to help him establish a vision for Japan's role in the region, encompassing political, security and economic relations.

Joint Economic Council With U.S. Proposed

OW2112072692 Tokyo KYODO in English 0712 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—Japan's ambassador to Washington has proposed establishing a council of Japanese and U.S. cabinet ministers to discuss economic affairs, the NIHON KEIZAI SHIMBUN reported Monday. The proposal urges key economic ministers of the both countries to meet regularly and discuss bilateral economic matters, the major business daily said.

Ambassador Takakazu Kuriyama filed the proposal in a report to Prime Minister Kiichi Miyazawa. The Japanese Embassy in Washington hatched the idea to help restructure Japan-U.S. relations following the election of Bill Clinton as the next American President.

The report urges closer cooperation between Tokyo and Washington on global economic growth, domestic problems common to both countries, and international affairs. While noting Clinton's pledge to revitalize the American economy, it says economic disputes between Japan and the United States may intensify.

The report points to the need for Japan to expand domestic demand, increase imports, and help promote the Uruguay Round of trade talks toward a successful conclusion, the newspaper said.

Japan needs to help the U.S. convert its military industry to a civilian one, play a more active role in United Nations peacekeeping operations, and increase assistance to developing countries, the report says. It calls on the two countries to cooperate closely over high technology development, education and vocational training, and minor industry policies.

Owada Views Plans for Forum

OW2112122892 Tokyo KYODO in English 1207 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—Japan is ready to hold talks with the U.S. Government under a Bill Clinton presidency on setting up an economic ministerial forum to discuss bilateral economic issues, a senior Foreign Ministry official said Monday. Vice Foreign Minister Hisashi Owada made the comment in reference to a Japanese newspaper report that Japan's ambassador to the United States has proposed such a ministerial forum to Prime Minister Kiichi Miyazawa.

"Any specifics will be determined in discussion with the new U.S. Administration," Owada said.

The NIHON KEIZAI SHIMBUN reported in Monday's evening edition that Takakazu Kuriyama, the Japanese ambassador to the United States, has proposed such bilateral economic ministerial talks to replace the so-called Structural Impediments Initiative (SII) talks.

The SII talks began in 1989 with the aim of scrapping structural barriers to trade between the two countries and are to finish next year with the expiration of a follow-up period. But there are growing calls both in Japan and the United States for a substitute for the SII talks.

Tokyo To Regulate Some Arms-Related Exports

OW2112111192 Tokyo KYODO in English 1056 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—Japan will regulate exports of materials that could be used in the production of conventional weapons to Iran, Iraq, and Libya effective January 20, Ministry of International Trade and Industry (MITI) officials said Monday. The move is in line with an agreement among the Group of Seven (G-7) industrial nations to effectively ban exports of such materials to Iran, Iraq, Libya, and North Korea, the officials said.

Japan bans export of such materials to North Korea in accordance with the Coordinating Committee for Export Control (Cocom) rules, and has long banned exports of weapons, they said.

The government will revise related decrees necessary for the ban on the exports to the three countries. The revised decrees are scheduled to be officially announced next Monday and come into effect January 20, the officials said. Under the revised decrees, exports to the three countries of some 200 items in three sectors—weapons, atomic energy, and machinery for civil industries—will be subject to approval by MITI, they said. Among the items are uranium-related substances, computers, and machine tools, the officials said.

In the case where there is a possibility that the materials for civil purposes could also be used for military purposes, exports of the materials will be banned, they said.

Miyazawa Foreign Policy Speech Previewed

OW2112005392 Tokyo NHK Radio Network in Japanese 2200 GMT 20 Dec 92

[From "NHK News" program]

[Text] The outline of a keynote speech to be delivered by Prime Minister Kiichi Miyazawa in Bangkok, Thailand—which he will visit while on a tour of ASEAN nations beginning on 11 January—has been prepared. In the speech on Japan's Asian diplomacy, Prime Minister Miyazawa will stress his view that it is important for the nations of the Asian and Pacific region to promote political dialogue on security issues.

Prime Minister Miyazawa is scheduled to tour four ASEAN nations over a period of a week from 11 January. While in Bangkok, Thailand, he plans to deliver a speech on Japan's basic diplomacy regarding Asia, and he has drawn up the outline of that speech.

According to the speech outline, Prime Minister Miyazawa will first pledge that Japan will not become a military power again—in view of the past war. The prime minister then will express concern that the end of the cold war might lead to a new element of instability in the Asian and Pacific region, and he will note that it is important for nations in the region, including socialist countries, to hold an active political dialogue regarding security issues.

Specifically, he will note in the speech that it is important to promote a multinational political dialogue in parallel with bilateral direct talks between nations concerned. He will say that existing arenas of talks, such as the expanded ASEAN foreign ministers conferences, should be utilized for the time being, but that it would be desirable in the future to have a new framework of political dialogue that encompasses the whole region so a broader reach of nations can participate. The prime minister will thus express Japan's willingness to fulfill its role in promoting dialogue in the region.

Minister Rejects Party Leadership Post Offer

OW1912114392 Tokyo KYODO in English 1110 GMT 19 Dec 92

[Text] Utsunomiya, Dec. 19 KYODO—Prime Minister Kiichi Miyazawa and his top aides wanted to have only one member of the ruling party group led by Ichiro Ozawa in the new cabinet because they abhorred the Ozawa camp, Foreign Minister Michio Watanabe said Saturday.

Watanabe said in a speech here that the Miyazawa camp hated the group loyal to former Liberal Democratic Party (LDP) Secretary General Ozawa so much that it did not want to even "hear about or see" the Ozawa group.

The prime minister wanted only Hajime Funada from the Ozawa camp as a member of his new cabinet, which was inaugurated on December 12, but eventually agreed to have two Ozawa group members, the foreign minister said.

Miyazawa appointed Funada as director general of the Economic Planning Agency and made another Ozawa group member, Mamoru Nakajima, head of the Science and Technology Agency.

The idea behind selecting only Funada was to demoralize the Ozawa group, Watanabe said.

The Ozawa group broke away from the Takeshita faction, up to then the LDP's largest faction, and established a new faction with 44 members on Friday.

In his speech, Watanabe also indicated that Miyazawa asked him to become LDP secretary general.

Watanabe said he turned down the request. "I did not want to be hated by running away with the toy," he said, apparently referring to the post of secretary general. He agreed to stay on as foreign minister and deputy prime minister.

FY 1993 Real Economic Growth Rate Set at 3.3%

OW1812090392 Tokyo KYODO in English 0808 GMT 18 Dec 92

[Text] Tokyo, Dec. 18 KYODO—The government has set Japan's economic growth target for fiscal 1993, which begins next April 1, at 3.3 percent in real terms, officials said Friday.

Japan's real economic growth for the current fiscal year is estimated at 1.6 percent.

The officials said the projection, worked out by the Economic Planning Agency, estimates Japan's merchandise trade and current account surpluses in the next fiscal year at 135 billion dollars and 115.5 billion dollars, respectively.

The ratio of the current account surplus to the nation's gross national product will come to 2.9 percent, the officials said.

Japan's trade surplus is estimated at 136 billion yen in fiscal 1992 and its current account surplus, which covers both merchandise and service trade, at 116.5 billion dollars.

The forecast is scheduled to be approved at an extraordinary cabinet session set for Sunday, they said.

According to the forecast, domestic demand will contribute 3.4 percent to the growth target, making up for a 0.1 percent decline in the contribution of exports, the officials said.

In the current year, contributions of domestic demand and exports are estimated at 0.7 percent and 0.8 percent respectively.

The officials said wholesale prices will rise 0.3 percent, compared with a 1.3 percent fall in the current year, while consumer prices will climb 2.1 percent, following an estimated rise of 1.8 percent this fiecal year.

Observers said the government's growth target is higher than expansion forecasts by private research institutions, which average at the upper end of 2.0 percent.

The agency expressed optimism, saying the economy has begun to pick up as a result of the government's pump-priming measures.

Ministry Believes Growth Target 'Attainable'

OW2112083292 Tokyo KYODO in English 0756 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—Japan's vice trade minister said Monday his ministry expects the government's economic growth target of 3.3 percent for fiscal 1993 starting next April 1 to be attainable. Yuji Tanahashi, vice minister of international trade and industry, said at a press conference the target "is not too high."

The government's target of a 3.3 percent growth in real gross national product for fiscal 1993 was approved at Sunday's extraordinary cabinet session. Japan's real economic growth for the current fiscal year is estimated at 1.6 percent, failing to reach the government's target of 3.5 percent.

For the fiscal 1993 economic outlook, Tanahashi expressed optimism that the economy may regain buoyancy early next year thanks to the government 10.7 trillion yen pump-priming package endorsed by the supplementary budget. He also said the government is now preparing a budget for fiscal 1993 by giving maximum consideration to propping up the economy.

Agency Says Economic Growth Falls to 3.4 Percent

OW1812022692 Tokyo KYODO in English 0154 GMT 18 Dec 92

[Text] Tokyo, Dec. 18 KYODO—Japan's real economic growth in fiscal 1991 [as received] slowed to 3.4 percent from the previous year's 5.1 percent, the Economic Planning Agency said Friday in a report confirming its preliminary figures.

The agency said domestic demand contributed 2.1 percentage point and external demand 1.2 percentage point to the inflation-adjusted gross national product (GNP) or the total value of goods and services, that came to 420,844.8 billion yen.

Weak domestic demand capped the economy as compared with a 5.0 point contribution in the previous year. External demand made up only 0.1 point in fiscal 1990.

Preliminary GNP figures measured at an annual rate are released every quarter but final figures are compiled about eight months after the end of a fiscal year.

Nominal GNP rose 5.4 percent to 458,599.1 billion yen but its growth slowed from 7.3 percent in fiscal 1990.

The inflation-measuring GNP deflator or the difference between real and nominal GNP, remained stable, moving up a slight 1.9 percent following the previous year's 2.1 percent rise.

Gross domestic product (GDP) or GNP minus net income from overseas, grew 3.3 percent in real terms, down from a 5.3 percent rise in the previous year.

The agency said Japan retained its second rank in calendar-year nominal GDP among 24 member countries of the Paris-based Organization for Economic Cooperation and Development (OECD).

The nominal GDP totaled 3,358.1 billion U.S. dollars, up from the previous year's 2,957.9 billion dollars, the second highest after the United States' 5,549.3 billion dollars.

Per capita GDP was 27,106 dollars, up from 23,963 dollars, rising from sixth place among OECD nations to recapture third as seen in 1989.

The rise is chiefly due to the yen's appreciation to an average 135 yen to the dollar from calendar year 1990's 145 yen, the agency said.

The 1991 economic statistics also featured capital losses in land and stock assets, and lower household savings for the first time in six years.

The national-assets adjustment amount, including capital gains and losses in land and stocks, at the end of the 1991 calendar year came to minus 220 trillion yen, compared with minus 24 trillion yen in 1990.

This reflected a drop in land prices which had been on the rise through 1990, the agency said.

Capital losses in land for fiscal 1991 were 202 trillion yen, accounting for 0.44 percent of GNP, while capital losses in stocks shrank to 5 trillion yen, 0.01 percent of GNP, from the previous year's 307 trillion yen, 0.72 percent of GNP.

Household savings rose to 14.6 percent of disposable income from the previous year's 13.5 percent, stemming from relatively stable disposable income led by wage earners and sluggish growth in consumption, the agency said.

The agency attributed the sluggish demand at home to lower growth in consumption and private capital spending, a steep pullback in private residential investment and a sharp increase in private inventories.

In contrast, domestic public-sector capital outlays continued to rise.

On an industry basis, the agency said utilities and the petroleum and coal industry performed well, helped by the weaker yen and lower oil prices, but the financial and insurance industries remained dull.

External demand, export growth slowed to 4.5 percent from the previous year's 7.6 percent, while growth in import sank to the minus column of 2.3 percent from a 7.1 percent rise.

National assets stood at 7,172 trillion yen at the end of the 1991 calender year, down a marginal 0.3 percent from the previous year, with tangible assets falling 3.6 percent to 3,367 trillion yen, and financial assets rising 3.9 percent to 3,804 trillion yen.

Net external assets (financial assets minus debts) rose to 52 trillion yen from the previous year's 49 trillion yen, or on a dollar basis, 381.1 billion dollars from 328.1 billion dollars.

Net worth or national wealth—a total of tangible assets and net external assets—climbed 3.4 percent to 3,419 trillion yen, the first rise since the agency began recording statistics in 1955.

Military Buildup Program Cut by 580 Billion Yen

OW1812062692 Tokyo KYODO in English 0613 GMT 18 Dec 92

[Text] Tokyo, Dec. 18 KYODO—Japan on Friday announced a 580 billion yen cut from the 22.17 trillion yen defense buildup program for fiscal 1991-1995 amid relaxation of international tensions in the wake of the end of the cold war.

Chief Cabinet Secretary Yohei Kono told a news conference the cabinet of Prime Minister Kiichi Miyazawa made the formal decision in consideration of "favorable" changes in international relations.

The decision was reached following two rounds of Security Council meetings and subsequent cabinet sessions.

The 580 billion yen cut includes 440 billion yen for purchases of so-called "front line" military equipment including tanks, ships and aircraft, 60 billion yen for rear support equipment, and 80 billion yen for personnel and food costs, government officials said.

The officials said the slashing of the five-year defense plan would put the year-on-year average rate of defense budget increase at 2.1 percent from 3 percent for fiscal 1991-1995.

The cuts are largely concentrated on "front line" military equipment, Defense Agency officials said.

The officials said the total number of tanks to be procured during the five years would be cut by 24 to 108, destroyers by two to eight, F-15 fighters by 13 to 29, and armored vehicles by 25 to 193.

The Defense Agency, however, will purchase four Airborne Warning and Control System (AWACS) planes and 36 multiple launch rocket systems (MLRS) by the end of fiscal 1995 as originally planned in the midterm defense plan, the officials said.

Kono said in a statement the government reviewed the midterm plan in consideration of maintaining an appropriate defense standard set in Japan's 1976 basic defense platform, which the cabinet of Prime Minister Takeo Miki adopted.

Japan needs to "prudently make sure of" changes in the international situation in considering Japan's defense capability, Kono said.

Toshio Nakayama, state minister and director general of the Defense Agency, echoed Kono's statement, saying the slashing of the midterm defense plan is a starting line to review the 1976 basic defense platform.

The 1976 platform sets Japan's defense buildup target at attaining capability of repulsing "small-scale and limited aggression" on its own efforts.

Following the cabinet meeting, Nakayama told reporters that his agency thinks a cut in the midterm defense spending is "unavoidable" in view of "the worsening national budget situation and changes in domestic and foreign situations."

The government initially set 22.75 trillion yen for the five-year defense buildup program in December 1990 amid moves toward rapprochement between the United States and the now-defunct Soviet Union.

The government has promised to review the defense program three years later by considering changes in international military situations.

Finance Ministry To Limit Defense Budget Growth

OW1912141692 Tokyo KYODO in English 1335 GMT 19 Dec 92

[Text] Tokyo, Dec. 19 KYODO—The Ministry of Finance will limit the year-on-year growth of the defense budget to 1.7 percent in fiscal 1993, which starts next April 1, ministry officials said Saturday.

An accord on the limitation came in talks Saturday between Finance Minister Yoshiro Hayashi and Defense Agency Chief Toshio Nakayama ahead of the Finance Ministry's submission Monday of its fiscal 1993 national budget draft to other ministries and agencies, the officials said.

The defense budget will amount to 4.63 trillion yen, 1.7 percent higher than the initial fiscal 1992 budget.

In the fiscal 1992 budget, defense outlays came to 4,551.8 billion yen, an increase of 165.8 billion yen or 3.78 percent from the fiscal 1991 original budget.

The ministry will also reduce the central government's tax grants to local governments by 400 billion yen to some 15.6 trillion yen in the general account of the fiscal 1993 budget.

The general account budget will total 72.35 trillion yen, up 0.2 percent from the current fiscal year's original budget, or the lowest growth since the zero expansion in fiscal 1987, Finance Ministry officials said.

General operating expenditures, the core of the budget for financing such key government policies as defense, social welfare, and foreign aid, will amount to 39.91 trillion yen.

The total for general operating expenditures is 3.1 percent higher than fiscal 1992, but the growth is the lowest since a 1.2 percent rise in fiscal 1988.

Social welfare spending will increase 2.9 percent to 13.11 trillion yen, while outlays for public works projects will be up by 4.8 percent, reflecting the government's efforts to stimulate the flagging economy.

On the revenue side, the ministry's fiscal 1993 budget projects tax revenues of 61.3 trillion yen, the first decline from the previous year in 10 fiscal years.

To make up for the low tax revenues, the ministry will sharply increase nontax revenues, including contributions from the Bank of Japan, to 2.73 trillion yen.

Construction bonds will be floated, almost to the ceiling level of 8.13 billion yen, an 11.2 percent share of the general account, up from 10.1 percent of the original fiscal 1992 budget.

Minister Warns Cabinet Must Stimulate Economy

OW1912143292 Tokyo NHK General Television Network in Japanese 1000 GMT 19 Dec 92

[From the "NHK News" program]

[Text] Foreign Minister Michio Watanabe said that the biggest task for Prime Minister Kiichi Miyazawa's new cabinet is to stimulate the sluggish economy. Watanabe said in Utsunomiya, Tochigi Prefecture, today that the Miyazawa cabinet must compile another supplementary budget before the lower house elections scheduled for the next fiscal year. Watanabe told supporters that if the Miyazawa administration fails to stimulate the economy, he would face the same fate as the administration of outgoing U.S. President George Bush. Watanabe also pointed out that tax revenue estimates for next year, which will be released by the finance minister on 21 December, are too optimistic. He added that, even after the fiscal 1993 budget is implemented, the government must consider a supplementary budget before the dissolution of the lower house for next year's general elections.

Minstry Adopts 'Austere' Budget Draft for FY93

OW2012113192 Tokyo KYODO in English 1118 GMT 20 Dec 92

[Text] Tokyo, Dec. 20 KYODO—The Ministry of Finance on Sunday evening adopted an austere budget draft for fiscal 1993 with the increase in the general account budget limited to a marginal 0.2 percent, the lowest rate of growth in six years, ministry officials said.

The general account budget will total 72,355 billion yen, they said.

The Finance Ministry will submit the budget plan to other government ministries and agencies Monday afternoon following its approval by the cabinet, the officials said.

The austerity of the budget for the next fiscal year, which starts April 1 next year, stems from the prospect that tax revenues will decline 1.9 percent from the initial fiscal 1992 budget to 61.3 trillion yen due to the flagging economy. It will be the first such fall in 10 years.

General operating expenditures, the core of the budget and the part which finances such key government policies as defense, social welfare and foreign aid, will amount to 39.91 trillion yen, up 3.1 percent, the ministry officials said.

This marks the lowest growth since a 1.2 percent rise in fiscal 1988.

Outlays for public works projects will increase 4.8 percent to 8.57 trillion yen, however, as the government is pushing such projects in the hope that they will buoy the economy and lead to an improvement in the quality of life of ordinary Japanese.

The ministry will limit growth in the defense budget to 1.7 percent with its total coming to 4.63 trillion yen, the officials said.

It is also likely to propose growth of around 4 percent in the budget for Official Development Assistance (ODA).

Social welfare spending will rise 2.9 percent to 13.11 trillion yen.

The officials said the central government's tax grants to local governments will be slashed by 1.0 percent to 15.62 trillion yen in the general account of the fiscal 1993 budget for the second consecutive yearly fall.

The ministry will lower debt-servicing expenditure by 6.1 percent to 15.44 trillion yen by deferring repayments of debts taken over from local governments.

On the revenue side, the ministry will boost nontax revenues, which include contributions from the Bank of Japan, by 23.1 percent to 2.73 trillion yen to cover an expected decline in tax revenues.

To expand public works projects, it will issue construction bonds almost to the ceiling level of 8.13 trillion yen, an 11.2 percent share of the general account, up from 10.1 percent in the original fiscal 1992 budget, the officials said.

The ministry will set aside 45,702 billion yen for fiscal investment and loan programs for the next fiscal year, up 12.0 percent from the original fiscal 1992 budget.

Excluding expenditures for portfolio investment to be managed by the ministry's Trust Fund Bureau and two semigovernmental units, the general outlays for the program, known as the second budget, will increase 13.2 percent to 36,527 billion yen, the officials said.

Hayashi Explains Draft Budget

OW2012114892 Tokyo KYODO in English 1136 GMT 20 Dec 92

[Text] Tokyo, Dec. 20 KYODO—Finance Minister Yoshiro Hayashi said Sunday his ministry's draft budget for fiscal 1993 is aimed primarily at revving up the economy and improving the quality of life for the average citizen.

He was meeting reporters after attending a meeting of ministry officials concerned with the national budget.

"The budget plan includes pump-priming measures as instructed by Prime Minister (Kiichi) Miyazawa," Hayashi said.

Noting severe fiscal conditions such as an expected fall in tax revenues for the next fiscal year, he said the ministry has sought to limit expenditures as much as possible.

The ministry believes tax revenues for fiscal 1993, which starts April 1, will fall 1.9 percent from the initial fiscal 1992 budget to 61.3 trillion yen because of the flagging economy.

The ministry also has tried to effectively distribute financial resources among government ministries and agencies, Hayashi said.

MOF Announces Draft Budget

OW2112171892 Tokyo KYODO in English 0526 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—The Ministry of Finance (MOF) announced a conservative draft budget for fiscal 1993 on Monday, geared to boost the limping economy through expansion of public works projects.

The budget plan calls for 72,355 billion yen in the general-account expenditures for the year that starts on April 1, 1993, up 0.2 percent from the original budget for the current fiscal year.

It is the lowest growth since fiscal 1987, when there was no increase from the previous year's original spending plan.

The general operating expenditures, the core of the budget, are expected to grow 3.1 percent, the smallest expansion since fiscai 1988, when they picked up 1.2 percent.

The ministry said the debt-servicing costs should fall 6.1 percent in fiscal 1993 for the first decline since fiscal 1965.

The ministry's budget plan also calls for a reduction in the central government's tax grants to local governments by 1 percent to 15,617 billion yen.

It proposed a 4.8 percent increase in public works spending on the general account as a means to prop up the sputtering economy.

It also recommended a relatively high 4.7 percent growth in Japan's official development assistance, while insisting on a low 1.7 percent rise in defense spending.

The ministry is anticipating a 1.2 trillion yen decline in tax revenues in fiscal 1993 from the original estimate for fiscal 1992, the first such drop in 10 years.

In order to cover the tax shortfall, it decided to increase issues of construction bonds by 11.7 percent to 8,130 billion yen.

Budget Aimed at Boosting Economy

OW2112060892 Tokyo KYODO in English 0536 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—The Finance Ministry (MOF) unveiled a tight draft budget for the coming fiscal year on Monday, reflecting concern about deepening economic malaise and shrinking tax revenues.

The budget plan features a marked increase in public works to boost feeble domestic demand.

The general-account budget will total 72,355 billion yen for the year that starts next April 1, up a marginal 0.2 percent from the current year's original budget. The figure represents the lowest growth rate since fiscal 1987, when there was no expansion.

The ministry called for a 2.7 percent increase in the general-account budget for the current fiscal year.

It proposed that the general operating expenditures, the core of the budget covering social welfare, education, public works, defense, and foreign aid, should grow 3.1 percent to 39,917 billion yen for the lowest such growth since fiscal 1988.

Despite the overall belt-tightening, the plan recommends a remarkable 4.8 percent increase in public works spending to 8,565 billion yen to provide a fiscal stimulus to the economy.

Official Development Assistance (ODA) will be raised by a relatively high 4.7 percent to 997 billion yen.

In sharp contrast, it proposed limiting growth in defense spending to 1.7 percent, the smallest increase for more than three decades, with its total coming to 4,631 billion yen. The defense budget should reflect global detente, ministry officials said.

Among other outlays, the budget plan calls for increasing spending on education and science by 0.6 percent to 5,715 billion yen and social welfare by 2.9 percent to 13,111 billion yen.

Outside general operating expenditures, the ministry said debt-servicing costs should decline 6.1 percent to 15,442 billion yen for the first drop since fiscal 1965.

The officials said, however, this is due mainly to the postponement of payments and does not reflect an improvement in fiscal conditions.

On the revenue side, construction bond issues will be boosted by 11.7 percent to 8,130 billion yen in order to cover an expected tax revenue shortfall in fiscal 1993.

The ministry expects tax revenues in fiscal 1993 to fall 1.9 percent or 1,201 billion yen from the original projections for fiscal 1992 to 61,303 billion yen. This marks the first such decline in 10 years.

The ratio of debts to total general-account revenues is 11.2 percent, up from the 10.1 percent in the initial fiscal 1992 budget.

Total public bonds outstanding will amount to 182 trillion yen at the end of fiscal 1993, up from 176 trillion yen a year earlier.

The ministry will trim central government tax grants to local governments by 1 percent to 15,617 billion yen.

Minor revisions will be made in the draft budget in negotiations between the Finance Ministry and other government ministries and agencies this week, and the budget will be approved by the cabinet on Saturday.

The ministry faces a typical fiscal quandary of a slowing economy that needs fiscal stimulus and falling tax revenues that restrict fiscal leeway.

The government has put the growth target for fiscal 1993 at 3.3 percent, but economists in the private sector regard that figure as a tall order.

The projections by private economic institutes concentrate around 2.3 percent to 2.8 percent.

The ministry remains set against issuing deficit-financing bonds to cover the fiscal shortfall or to finance tax cuts, however.

As a means to provide a kick to the economy, the ministry is expanding the so-called fiscal investment and loan program by a sharp 12.0 percent to 45,702 billion yen.

Analysts believe the ministry is likely to be forced to issue deficit-financing bonds in fiscal 1993, as the economy needs further fiscal stimulus and tax revenues will be even smaller than the ministry's conservative projection.

"The budget is quite insufficient to put the economy on a recovery path," said Nobuyuki Saji, a senior economist at Nikko Research Center, which forecasts 2.6 percent growth in fiscal 1993.

Saji said the public works spending included in the budget plan is lower than the revised outlay of 9.4 trillion yen in fiscal 1992.

He said an early supplementary budget is inevitable if the government wants to keep the economy from sinking into a deeper trough.

"The government should put together another 8 trillion yen in addition to public works spending and tax cuts not long after the start of the fiscal year," he said.

Rise in FY93 Investment Proposed

OW2112061292 Tokyo KYODO in English 0540 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—The Ministry of Finance (MOF) proposed a boost in the outlays for the fiscal investment and loan program for fiscal 1993 by 12.0 percent on Monday to spur the economy and improve the quality of life.

The total outlays for the program will come to 45,702 billion yen.

The program, which is largely funded by government-controlled public funds such as postal savings and pension funds, is known as the alternate budget because its scale accounts for about 60 percent of the general-account expenditure.

Funds for public works projects will be raised 12.4 percent from the initial fiscal 1992 budget to 5,871 billion yen. The growth rate is higher than the 10.8 percent rise in the current fiscal year as the government seeks to improve the nation's social infrastructure.

The ministry also proposed an increase in funds for government-affiliated financial institutions by 12.7 percent to 24,956 billion yen.

This is aimed at stimulating private-sector capital spending and facilitating the distribution of funds to small- and medium-sized companies, ministry officials said.

Funds proposed for housing loans will gain 6.5 percent to 6,897 billion yen in the hope that the increase will help spur housing investment, which has shown signs of recovery, they said.

The proposed outlays for local public organizations will increase by 16.4 percent to 5,700 billion yen.

Excluding expenditures for portfolio investment to be managed by the ministry's trust fund bureau and two semigovernmental bodies, the general outlays for the program will increase 13.2 percent to 36,527 billion yen.

The funds proposed for portfolio investment will increase 7.4 percent to 9,175 billion yen.

The ministry also wants to underwrite 1 trillion yen worth of government bonds using the fiscal investment and loan program, compared with the 600 billion yen set aside in the initial fiscal 1992 budget.

It also proposed a boost in the allocation to the export-import bank of Japan by 5.5 percent to 1,430 billion yen to promote imports.

Funds for the purchase of foreign debts, such as those issued by international institutions, will be tripled to 300 billion yen.

997-Billion-Yen ODA Budget Proposed

OW2112062192 Tokyo KYODO in English 0550 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—The Finance Ministry on Monday proposed budgeting 997 billion yen for foreign aid in the general account of the fiscal 1993 state budget, a 4.7 percent rise over fiscal 1992.

Aware of Japan's obligation to soften the plight of poor nations, the ministry jacked up the outlay for Official Development Assistance (ODA) by a rate that is well above the 3.1 percent rise in overall general operating expenditures of the general account, the ministry's budget examiner Sakura Shiga said.

The overall ODA figure will exceed 1 trillion yen, as the ministry plans to disburse an additional 675 billion yen in yen loans to poor nations through the Overseas Economic Cooperation Fund (OECF), ministry officials said.

The huge fiscal investment and loan program, dubbed the second budget—funded by postal savings and national pension funds—covers roughly two-thirds of a 930 billion yen outlay to the OECF, an quasi-governmental body overseeing Japan's yen loans to developing countries.

The general account will cover the remaining 342 billion yen in the outlay to the OECF, the officials said.

During the current fiscal year, Japan disbursed 1,699 billion yen in overall ODA outlays by drawing financial strength from both the general account and the mammoth fiscal investment program, the officials said.

The Foreign Ministry earlier requested the Finance Ministry to bolster the general account portion of the ODA outlay by 9.7 percent to 1,045 billion yen.

The Foreign Ministry's talks with budget drafters will likely result in a compromise that will push the outlay over the 1 trillion yen line, government sources said.

In a breakdown of ODA outlays, the Finance Ministry set aside 232 billion yen in grant aid, up 1.9 percent, while bolstering "technical cooperation" funds by 2.9 percent to 201 billion yen, Shiga said.

The technical cooperation funds will finance such items as the cost of inviting and training students, engineers, and researchers from poor countries to Japan, so that they can take back sophisticated technology and know-how to their homelands.

The ministry also appropriated 137 billion yen, down 7.5 percent, to fund the activities of international relief agencies, such as the United Nations High Commissioner for Refugees (UNHCR), he said.

Though the yen-denominated figure of grant to the UNHCR dipped 1.6 percent to 9.5 billion yen, a strong yen will increase the amount in dollar terms to 78 million dollars, up 3 million dollars.

The ministry budgeted 1.5 billion yen to partially fund the U.N. program to feed Palestinian refugees in the Israeli-occupied West Bank and Gaza Strip, they said.

Apart from ODA outlays, the ministry decided to appropriate 2.5 million dollars—the same figure for the fifth year in a row—to support U.N. peacekeeping operations amid growing demand for the U.N. peacekeepers' presence in various conflict-marred nations, the officials said. They said the Foreign Ministry sought 5.34 million dollars for this item.

The outlay is also separate from defense expenditures for Japanese ground troops sent to join U.N. peacekeepers in Cambodia.

4,631-Billlion-Yen Defense Budget

OW2112062892 Tokyo KYODO in English 0552 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—The Finance Ministry on Monday proposed a fiscal 1993 defense budget of 4,631 billion yen, up 1.7 percent over the initial fiscal 1992 budget.

The year-on-year increase rate is the lowest in 33 years, since a 0.6 percent rise in fiscal 1960, ministry officials said.

"The ministry has drafted the defense budget in consideration of the current severe fiscal situation," said a ministry official.

In addition, the end of the cold war has prompted the ministry to trim the shopping list of so-called "front-line" military equipment, including tanks and fighters, defense experts said.

In August, the Defense Agency initially sought an allocation of 4,717.1 billion yen for the fiscal year starting next April 1, up 3.6 percent from the current fiscal year's original budget.

The ministry's proposed defense budget figure accounts for 0.935 percent of Japan's estimated gross national product (GNP) for fiscal 1993, down 0.006 percentage point from fiscal 1992, the officials said.

Fiscal 1993 will be the fourth straight year in which defense spending has been held below 1 percent of GNP. That ceiling was adopted by then-prime minister Takeo Miki in 1976.

Of the total draft defense budget, the ministry proposed 30 billion yen for the front-line military spending for fiscal 1993, down 6.6 percent, and 850 billion yen for the same purpose, which will be put toward such spending in future fiscal years.

The ministry endorsed the production of 20 90-type tanks, down three from the agency's initial request for fiscal 1993, four f-15 U.S.-made fighters, down four, and one p-3c antisubmarine patrol plane, instead of the two that were requested, the officials said.

Referring to the purchase of the most modernized military equipment, the ministry appropriated 118 billion yen for one Aegis (?and 114) billion yen for two Airborne Warning and Control System (AWACS) planes, the officials said.

On rear support spending, the ministry allocated 113 billion yen for the construction of houses and other living-related facilities for Self-Defense Forces personnel, up 2.5 percent.

The ministry boosted its annual allocation for sharing the cost of maintaining U.S. Forces stationed in Japan by 10.7 percent to 229.1 billion yen on a contract basis, which is not only for fiscal 1993 but also later fiscal years.

But it slashed outlays for improvements to Japanese households near U.S. military bases by 5.6 percent to 154 billion yen.

The ministry proposed limiting overall growth in defense spending to 1.7 percent as a balancing act for the 1991-1995 defense spending program, because the agency will cut the midterm program's scale by 580 billion yen to 22,170 billion yen with an average growth rate set at 2.1 percent.

The five-year program was initially set at 22,750 billion yen in December 1990.

Airport Projects Amount Reported

OW2112071192 Tokyo KYODO in English 0616 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—The Finance Ministry allotted nearly 500 billion yen for the country's three biggest airport projects in its budget plan for the next fiscal year starting next April, which was unveiled Monday. The 492.5 billion yen allocations for the New Kansai International Airport, the New Tokyo International Airport, and the Tokyo International Airport almost equal the Transport Ministry's budget requests for the three projects.

The New Kansai Airport in Osaka, which will open in the summer of 1994, will receive 218.4 billion yen, against a 220.4 billion yen request. The spending includes 350 million yen for research concerning a plan to build two additional runways for the airport in the future. The sum, although below the 968 million yen sought by the Transport Ministry, is unprecedentedly big for such airport research.

The Transport Ministry will ask the Finance Ministry budget compilers to restore all of the remaining outlays requested, including expenditures for boring studies at the airport site, which have been strongly demanded by nearby residents.

Under the draft budget, which provides the basis for a final government budget to be released Saturday, the Narita Airport in Chiba Prefecture will be allocated 121.3 billion yen, compared with a 122.3 billion yen request, while the older Haneda Airport in Tokyo received 152.8 billion yen against a 177.1 billion yen request. The ministry also budgeted 70 million yen and 30 million yen for feasibility studies for proposed new international airports in Nagoya and Tokyo.

1993 Draft Budget Summarized

OW2112125892 Tokyo NHK General Television Network in Japanese 1000 GMT 21 Dec 92

[From the "NHK News" program]

[Text] The Ministry of Finance [MOF] has presented its fiscal 1993 draft budget to other ministries and agencies. The draft budget calls for 72.355 trillion yen [Y] in general account expenditures.

In response to the economic slowdown, the MOF is holding down outlays, but it has allocated the full amount requested for public work projects in hopes of boosting the economy. Because of a shortage in tax revenues, the MOF has curbed spending in the general account, increasing these expenditures by just 0.2 percent over the initial budget for the current fiscal year. This marks the smallest increase in the past six years.

The MOF has allocated about Y39.9 trillion for the implementation of a variety of government programs. This marks a 3.1-percent increase over the fiscal 1992 budget. The MOF has cut budget requests for almost every item except public works.

The MOF has allocated about Y15.6 trillion in tax revenues to local governments—Y400 billion less than requested by local governments. Also, the MOF has decided to postpone redeeming part of the national debt to cut the amortization fund to Y15.4 trillion.

On the revenue side, the MOF projects tax revenues of approximately Y61.3 trillion, which is 1.9 percent lower than the estimate made at the beginning of fiscal 1992.

Non-tax revenues, including funds supplied by the Bank of Japan, will be increased 23.4 percent to Y2.7 trillion. The MOF also will issue a record amount of construction bonds worth Y8.1 trillion to make up for the drop in tax revenues. This means the government will depend on national bonds for 11.2 percent of its revenues. This is up 1.1-percent from the current fiscal year's level, putting the total value of bonds issued by the government at Y182 trillion. Even though the MOF is not going to issue deficit-covering national bonds during fiscal 1993, the government will suffer greater fiscal deficits.

[Begin recording of Finance Minister Yoshiro Hayashi at a news conference held earlier in the day] I felt that the compilation of the budget was very difficult. The MOF committed not to issue deficit-covering bonds while tax revenues are expected to grow only merginally. We had to look for non-tax sources of revenue and to ask for the cooperation of local governments in making budget cuts.

Although the growth rate in the overall budget remains quite low, we have guaranteed considerable room for maneuvering in terms of spending. In the draft budget, we worked hard to draw very clear lines between what had to be cut and what had to be saved. [end recording]

Economists React to Draft Budget

OW2112063892 Tokyo KYODO in English 0604 GMT 21 Dec 92

["Analysis" feature by Mitsuru Mabuchi: "Economists Expect Supplementary Budget in Near Future"]

[Text] Tokyo, Dec. 21 KYODO—The Finance Ministry has assembled a draft budget designed to provide a fiscal prop for the wobbly economy in the face of falling tax revenues, but economists and politicians are already talking about additional spending plans to heal Japan's economic malaise.

The budget proposal for fiscal 1993, which begins on April 1, 1993, restricts overall expenditure growth to only 0.2 percent, but allows public works spending to rise a brisk 4.8 percent in order to boost drooping domestic demand.

Economists in the private sector say the ministry will have to draft another spending package shortly after the new fiscal year begins, however, if only to prevent the economy from submerging into the morass.

"I think the budget plan is the best the ministry can do under the current conditions," said Yukio Yanbe, chief economist at Dai-Ichi Kangyo Bank.

"Now the question is, when will the ministry make a supplementary budget, and how much will it be?"

Yanbe predicted that not long after the start of the new fiscal year the government will put together another fiscal stimulus package worth at least 8 trillion yen, with 4 trillion yen financed by the extra budget.

But even with that much additional spending, the economy will grow at only 2.9 percent in the year, well below the government's 3.3 percent target, the economist said.

He said growth without the package would be around 2.0 percent.

Policymakers are also waking up to the need for more steps to liven up the economy, which is going through the second worst downturn since the end of World War II.

Michio Watanabe, deputy prime minister and foreign minister, said Saturday that the government may have to compile a supplementary budget soon after the fiscal 1993 budget passes the Diet.

Overshadowing the government's fiscal policy are shriveling tax revenues. The Finance Ministry is expecting tax revenues to fall 1.9 percent in fiscal 1993 from original fiscal 1992 estimates, in the first such decline since fiscal 1983.

While the projection is conservative, it is still too optimistic, according to Atsushi Miyawaki, a senior economist at the Japan Research Institute Ltd.

The institute predicts the economy will remain deeply mired in a slump in fiscal 1993, growing at an anemic 1.7 percent.

For many economists, the ministry is tying its own hands with its recalcitrance to issue deficit-financing bonds.

The ministry rejected growing calls from opposition parties and businesses for income tax cuts to be financed by bonds.

The bonds to finance deficits are anathema for the ministry, which after many years of belt-tightening brought the issuance of such bonds to zero in fiscal 1990.

The ruling Liberal Democratic Party (LDP), however, is gradually paving the way for issuing the bonds [words indistinct] to finance major income tax cuts before the expected general election.

Hiroshi Mitsuzuka, the chairman of LDP's Policy Affairs Research Council, recently suggested the possibility of compiling a supplementary budget featuring tax cuts to be financed by bonds immediately after the fiscal 1993 budget becomes effective.

Mineko Sasaki-Smith, chief economist at the Tokyo branch of Credit Suisse, pointed out that the government of Prime Minister Kiichi Miyazawa will be pressured to stimulate domestic demand when the Group of Seven summit gets underway in Tokyo next July. Japan's trade partners are expected to call for such moves since Japan's trade surplus keeps ballooning.

"I think Mr. Miyazawa will have to throw in a promise of an extra budget to convince the U.S. that Japan is doing well," she said.

Sasaki-Smith said the government should come up with a spending package of 6 trillion yen, with half of that in tax cuts.

Masaru Takagi, chief economist at Fuji Research Institute Corp., said he agrees with the Finance Ministry that income tax cuts will not be quite effective in jacking up the consumption, but argued that the government should instead provide tax incentives to stimulate investments.

"We need 4 to 5 trillion yen in additional fiscal spending, if only to avoid creating a double-dip recession," he said.

Under current tax revenue conditions, any major tax cut will inevitably lead to deficit-financing bonds.

Miyawaki said it is "a sure bet" that tax revenues are falling so sharply that the ministry will be forced to issue such bonds in fiscal 1993 even without any tax cuts.

"The Finance Ministry's juggling act to make ends meet without deficit-financing bonds has reached a point where it has started distorting the sound fiscal structure," Miyawaki said.

"Fiscal 1993 will be a turning point for Japan's fiscal policy," he said.

The government faces a "big decision" in choosing radical spending cuts, major tax reforms, or deficit-financing bonds, or a combination of those measures, he said.

Fiscal Investment, Loans Analyzed

OW2112091292 Tokyo KYODO in English 0629 GMT 21 Dec 92

["Analysis" feature by Ikuji Nakaya: "Budgetary White Knight Could Trigger Problems Tomorrow"]

[Text] Tokyo, Dec. 21 KYODO—The so-called second budget, the fiscal investment and loans program (FILP), has been the key source of funds to stimulate the nation's ailing economy, but what seems to be today's white knight could bring a load of problems for the future. Funds from the program, raised mostly through postal savings and pension funds, are playing a major economic role now because the government is trying to revive the economy through public works investment and by beefing up loans to private companies to spur their appetite for capital spending.

In line with the government's 10.7 trillion yen pump-priming package announced in August, the planned FILP for the current fiscal year was expanded by nearly 4.4 trillion yen to 45.20 trillion yen after the Diet approved a supplementary budget for fiscal 1992 earlier this month. On Monday [21 December], the Finance Ministry proposed to the cabinet that the program initially be set at 45.70 trillion yen in fiscal 1993 which begins in April, up 12.0 percent from the original plan for the current fiscal year.

Economists generally agree that given the sluggish tax revenues, and huge government debts—estimated to reach 176 trillion yen by the end of fiscal 1992—using the FILP will be an effective remedy for the ailing economy, at least from the short-term perspective. But Atsushi Miyawaki, senior economist with Japan Research Institute, warns that excessive reliance on the FILP "may have a more severe effect on the future fiscal policy than floating debt- financing bonds," which the Finance Ministry has repeatedly rejected doing under the name of protecting fiscal health.

Miyawaki notes that nearly 300 trillion yen, or about half of what is currently being used under the FILP, covers some sort of shortage in the general account, such as for public works investment and official development assistance, or to help offset deficits, like those of companies dealing with liquidating the massive debt left by the now privatized Japan National Railways. He said the fund is being used to fine tune fiscal policy to prevent a bond flotation, but it is also postponing the burden of future generations.

In addition, he says there is a structural dilemma in the FILP, because the funds ought to be managed under portfolios assuring the highest profitability, considering the characteristic of the funds, but in reality, they are being extended with soft lending conditions.

A Finance Ministry official said FILP funds are given out after careful examinations and the funds are highly likely to be repaid. Unlike tax money, FILP funds must eventually be reimbursed to its primary sources, such as the holders of postal savings accounts, or be distributed as pension funds. The official went on to say the funds are not being used to simply fill deficits.

Miyawaki said that technically may be true since the government guarantees repayment, but in some areas there is a risk the funds will not be repaid. Should that occur, "it will be compensated either by using tax money, or if not, by issuing debt-financing bonds," he said. "Ordinary people will thus be forced to bear the burden."

Tatsuo Yasukawa, chief economist with Sanwa Research Institute affiliated with Sanwa Bank, questions if it is healthy for a government to keep strengthening its role in the financial sector.

"Is it right for postal savings and other public funds to continue to expand, so that it would eventually increase supplies to government lending institutions via the FILP?" Asked Yasukawa.

He also pointed out that in the private sector, supply and demand for funds are decided by market factors. Since FILP money is allocated in negotiations among ministries and agencies, Yasukawa questions if there is a "truly rational" distribution of funds.

Soichi Enkyo, senior economist at the Bank of Tokyo, calls for "selective use the FILP funds, taking into consideration the returns," while suggesting that the public should be given more information about how the FILP works.

Japan Research Institute's Miyawaki projects in fiscal 2000, the FILP will balloon to 64 trillion yen, whereas the general account will likely shrink to around 54 trillion yen. The FILP will obviously become, not the alternate, but the primary budget, he said. He suggests restructuring the FILP in addition to more public discussion of its workings, in light of the greater role it may play.

"Perhaps we must review the framework of FILP and the general account" in the future, Miyawaki said. "There is no problem in boosting the FILP to stimulate the economy in conditions like now, but it is in its system where the problem lies.

"It is regretful that the media heavily focus on the general account, but not so much on the FILP, where the real issues are," he said.

Opposition Parties Critical

OW2112101392 Tokyo KYODO in English 1007 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—Opposition parties expressed displeasure over the Finance Ministry's draft budget for fiscal 1993 Monday, calling for a tax cut and reduction of defense outlays.

The No. 1 opposition Social Democratic Party criticized the ministry for intentionally painting an optimistic outlook for the domestic economy. The centrist Komeito demanded an income tax cut, saying it would be difficult to attain a 3.3 percent growth target simply through public works expansion. The Japanese Communist Party called for a reduction of defense appropriations, saying the budget runs counter to global moves toward disarmament. The moderate Democratic Socialist Party called on the government to lay down its vision for the future course of Japan's defense buildup program.

Leaders of the opposition parties said they will make clear their responses to the fiscal program during their meeting with Prime Minister Kiichi Miyazawa on Tuesday afternoon.

Minister Predicts No Supplementary Budget in 1993

OW2112083992 Tokyo KYODO in English 0810 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—Brushing aside concerns of some Liberal Democratic Party members, Finance Minister Yoshiro Hayashi indicated Monday the ministry will not have to compile a supplementary budget for fiscal 1993. Earlier in the day the cabinet approved the ministry's draft general account budget of 72,355 billion yen for the next fiscal year, starting in April.

"I strongly believe that the budget is enough (to stimulate the economy)," Hayashi told a press conference after an ad-hoc cabinet meeting in the afternoon. He said the budget is enough for Japan to achieve its 3.3 percent real growth target next year. The ministry avoided issuing deficit-covering bonds in drawing up next year's budget, and made great efforts to stimulate the stagnant economy, Hayashi said.

The government approved the 3.3 percent growth target on Sunday. The rate is considered ambitious because of the gloomy economic situation. The government said the high target is necessary to meet its goals of continuous economic growth without inflation.

Miyazawa Predicts Faster Economic Recovery

OW2112030592 Tokyo KYODO in English 0222 GMT 21 Dec 92

[Text] Tokyo, Dec. 21 KYODO—Prime Minister Kiichi Miyazawa said Monday that Japan's economic recovery will gain momentum in the second half of next year, led mainly by the private sector.

Miyazawa made the prediction to reporters in response to a question about his cabinet's target of 3.3 percent real growth of the gross national product (GNP) in the next fiscal year, which begins on April 1, 1993.

The government's GNP target is higher than most private think tanks predict.

"Generally speaking, the target is appropriate. But it will also serve as a level we have to try hard to achieve in view of the ailing economy," Miyazawa said.

The GNP target was set as part of the process of compiling the fiscal 1993 national budget to be approved by the cabinet Saturday.

North Korea

Daily Says U.S. Manipulated ROK Election

SK2112015992 Pyongyang Korean Central Broadcasting Network in Korean 0040 GMT 21 Dec 92

[NODONG SINMUN 21 December commentary: "The Expected Results of the South Korean Presidential Election"]

[Text] The presidential election was held in South Korea on 18 December. It was announced on 19 December that Democratic Liberation Party [DLP] candidate Kim Yongsam had been elected. This happened as every one expected. No one will be surprised by this. We cannot expect any other results in South Korea, where the United States continues its domination and intervention.

The United States does not want any changes in South Korea. It is trying to hold on permanently to South Korea as a colonial military base and, for this reason, to maintain the pro-American dictatorial government.

The hidden intention of the United States, which was pursued in this presidential election, was to show freshness [sinsonmi] to the people by replacing Mr. No with Mr. Kim, while holding the colonial suppression structure as it is.

As a result of the United States' goal and operation, the election held in South Korea this time has brought an unchanged and obsolete result—the so-called extension of the DLP government of the Sixth Republic as the United States demanded.

This is contrary to the South Korean people's desire for a new political reform. The South Korean people and the democratic forces had earnestly demanded a genuine democratic government. To this end, they demanded that a neutral coalition cabinet be formed and the elections of the heads of local self-government units be held before the presidential election.

The DLP and the current ruling authorities, however, ignored the popular masses' demand. Only under the signboards of the neutral caretaker, they prevented the people's genuine intention from being reflected in the election by publicly and privately mobilizing the government power under the Sixth Republic's suppression system, suppressing the will of the people, wielding the plutocracy, and alluring the popular feelings. Thus, it is certain that a new result cannot be expected in such election.

The appearance of the civilian-controlled regime [munminjonggwon] is now being mentioned in South Korea. However, the civilian-controlled regime cannot be achieved simply by only someone else's remarks. It will not be difficult for the South Korean people to judge what a new regime will be like, if it takes its root in the military and fascist Sixth Republic which is affected by the United States and if it is based on the Sixth Republic, no matter how frequently a new regime may change its outward appearance.

As for a genuine civilian-controlled regime in South Korea, such a regime should duly and completely sever its connection with the Fifth and Sixth Republics, which have been dependent upon the foreign forces, have been fascist and against reunification. A genuine civilian-controlled regime really should seek national independence, democracy, and national reunification. This is what the people from all strata in South Korea want and what all fellow countrymen at present desire.

The long-cherished desire for independence, democracy, and reunification, as desired by the South Korean people, should be realized without fail.

Foreign forces and their forces are trying to prevent historical advance and change. The South Korean people, however, will finally achieve their desire for independence, democracy, and reunification through struggle.

Further on Commentary

SK2112045792 Pyongyang KCNA in English 0445 GMT 21 Dec 92

[Text] Pyongyang December 21 (KCNA)—It is what had been foreseen by everyone that the candidate of the "Democratic Liberal Party" Kim Yong-sam won the "presidential election" in South Korea on December 18 and there is nothing surprising in it, says NODONG SINMUN in a commentary today.

No other results can be expected in South Korea where the United States maintains its domination and interference, the analyst says, and continues:

It was the aim sought by the United States in the "presidential election" to give an impression of "freshness" to the people by replacing No with Kim, while leaving its colonial repressive system intact.

Under the manipulation of the United States for this purpose, the "election" in South Korea eventually brought a stereotyped result, that is, the "prolongation" of the "6th Republic government of the Democratic Liberal Party" as wanted by the United States.

This is contrary to the desire of the South Korean people for a new political change.

Now the appearance of a "civilian government" is being advertised in South Korea.

But the "new government" is a brainchild of the United States and it has its roots in the military fascist "sixth republic". Though it has changed its clothes, the South Korean people will see through its true color without difficulty.

If it is to be a genuine civilian government in South Korea, it must be a government which aspires after national independence, democracy and national reunification, completely breaking with the previous "5th and 6th Republics" which were dependent upon the outside forces, fascist and anti-reunification.

IAEA Team Leaves Pyongyang 19 Dec

SK2112013192 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 20 Dec 92

[Text] The International Atomic Energy Agency's fifth nonregular inspection team led by (Seiki Saukon) left Pyongyang on 19 December by airplane.

Results of 17 Dec JNCC Meeting Reported

SK1812021092 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 17 Dec 92

[Text] The 13th Meeting of the North-South Joint Nuclear Control Committee [JNCC] was held at Tongilgak in our side's area of Panmunjom on 17 December.

At the meeting our side first noted that the South side rejected our just proposal that they revoke by 15 December the agreement on the resumption of the Team Spirit joint military exercise, which is incompatible with North-South dialogue, and revealed more openly their scheme to resume the nuclear war rehearsal. By so doing, our side went on to note, the South side made it more and more difficult to implement the joint declaration on denuclearization and North- South inspection, making it impossible to hold the joint committee meetings by sectors within this year, bringing the ninth North-South high-level talks scheduled to begin 21 December to the danger of rupture. Our side then expressed deep worries and regret over the grave consequences which will result by the South side's antidialogue, antipeace, and antinational crime, stressing that the South side should hold themselves responsible and apologize for it before the nation.

Our side blamed the South side for artificially linking the North-South inspection and the Team Spirit joint military exercise, attempting to justify the aggressive military exercise. Our side called attention to the fact that the 31 December 1991 agreement between the delegates of the two sides stipulated that the South side suspend the Team Spirit joint military exercise and that our side sign the nuclear safeguards accord and receive the inspection by the International Atomic Energy Agency and that the said agreement never linked the North-South inspection and the Team Spirit joint military exercise. Our side then noted that the true purpose of the South side of conducting the Team Spirit joint military exercise linking it with the nuclear inspection is to block the implementation of the joint declaration on denuclearization and to avoid the nuclear inspection.

Our side also noted that even after the adoption and effectuation of the joint declaration on denuclearization, the South is continuously pushing ahead with nuclear weapons development as a top secret project by means of disguised research and dispersed manufacture. Noting the dangerous nature of the South's nuclear weapons development, our side said that the South, unable to hide it, is trying to realize their criminal objective by the resumption of the Team Spirit joint military exercise.

Our side emphatically stressed that if the South truly wishes to implement the joint declaration on denuclearization, they should revoke the agreement to resume the Team Spirit joint military exercise, a nuclear war rehearsal, as the entire nation demands, immediately stop the criminal nuclear weapons development, and make public the truth of it to the people at home and abroad.

The South side avoided responding responsibly to this and was bent on justifying the military exercise they are planning to conduct with foreign forces.

Our side then said that the South is totally responsible for the delay in the discussion of the inspection rules and that this is well proven by the South's attempt to exclude the U.S. nuclear weapons and nuclear bases from the inspection sites and to include the civilian facilities and ordinary military bases—which are not in the agreement—in the inspection sites, fearing the exposure of the truth of their nuclear weapons development.

Concluding the meeting, our side strongly urged the South side to immediately revoke the decision to resume the Team Spirit joint military exercise—which is aimed at bringing the North-South relations back to the previous state of confrontation and imposing nuclear calamity on the nation—and to report without fail the truth of their nuclear weapons development to the next round of the JNCC meeting.

Our side proposed that the date of the 14th North-South JNCC be 28 December and that the two sides hold the members' contact prior to this for the discussion of the inspection rules. The South side, however, opposed the holding of the basic meeting [kibon hoeui] and insisted on holding only the members' contact.

Our side said that the South side is avoiding deciding even the date for the JNCC basic meeting to avoid the work of the JNCC and to rupture the JNCC, questioning how the South side will take the responsibility for it before the nation.

Because of the South side's unjust attitude, the two sides were unable to decide the date for the next round of meetings and agreed to discuss it over the hotline.

The entire process of the meeting showed that whereas our side's position is to implement the joint declaration on denuclearization and the North-South agreement by all means, the South side's position is to avoid nuclear inspection, to nullify [paekchihwa] the North-South agreement and the joint declaration on denuclearization, and to continue to push ahead with nuclear weapons development by all means.

U.S. ROK 17 Dec 'Air War Exercise' Detailed

SK1912064492 Pyongyang KCNA in English 0450 GMT 19 Dec 92

[Text] Pyongyang December 19 (KCNA)—The U.S. imperialists Thursday brought overseas-based formations of nuclear-capable fighter-bombers, pursuit-assault and assault planes to the sky above South Korea to stage a combined air war exercise against the northern half of Korea, together with flying groups of the U.S. Seventh Airforce, according to military sources.

They also committed an aerial espionage on the Military Demarcation Line [MDL] areas with the EH-60 electronic warfare helicopter and the U-2 high-altitude strategic reconnaissance plane, which was followed by intensive bombing raids on designated targets.

More than 100 U.S. warplanes were flown in the war game intended to test the capability of coordination and combined commanding capacity of flying groups of nuclear-capable fighter-bombers and other types of planes based in the U.S. Pacific Airforce bases and those of the U.S. Airforce present in South Korea.

The warplanes mobilized in various air war exercises staged in South Korea against the North totalled 650 or more.

Meanwhile, the puppets staged a day-and-night ground offensive operation and rifle and gun firing near the demilitarized zone along the MDL that day.

Team Spirit Exercise Derails Talks With South

SK1912062592 Pyongyang Korean Central Broadcasting Network in Korean 0500 GMT 19 Dec 92

[Statement by the North side's delegation to the North-South high-level talks]

[Text] The North and the South are scheduled to hold the ninth North-South high-level talks in Seoul beginning 21 December. There are few who believe, however, that the talks will be held as scheduled. It is natural that the people of the world doubt that the ninth talks will be held in Seoul because of the South Korean side's attitude. We believe that the view of the people who see reality this way have a very appropriate judgment and correct awareness of the present situation.

As is well known, there is very serious obstacle to the ninth North-South high-level talks; namely, the issue of the resumption of the Team Spirit joint military exercise—a move incompatible with the talks. When the North and the South adopted the excellent documents of agreement at the eighth high-level talks in September and agreed to hold the ninth high-level talks in December, no obstacles were raised between the North and the South blocking the talks—such as the issue of resuming military exercises.

The issue of resuming the Team Spirit joint military exercise was put forward abruptly for the first time by the South side early last October when the basic documents for reconciliation, nonaggression, and cooperation and exchange between the North and the South had all been concluded and completed and the issue of implementing them was being scheduled. For the past two and a half months, our side has made every effort toward dialogue, detente, and peace at a very serious crossroads of dialogue, confrontation, peace, and war.

Our side held a joint meeting of the government, political parties, and organizations in the latter half of October and lodged a strong protest against the South Korean authorities for planning to resume the Team Spirit joint military exercise with the United States. We urged the South side to revoke without delay the agreement to resume it. Our side then sent a letter to the South side in the name of our premier, the head of the North side delegation to the North-South high-level talks, expressing regret over the decision to resume the military exercise and strongly requesting the South side to revoke the unjust decision to rescue the endangered North-South dialogue.

In a joint statement, our side's chairmen of the North-South joint committees also urged the South side to revoke by 30 November the agreement to resume the Team Spirit joint military exercise so that the two sides might hold joint committee meetings in December. The political parties, organizations, and figures of various strata issued statements and press statements one after another strongly demanding that the South side withdraw its decision to resume the criminal Team Spirit joint military exercise.

In the Joint Nuclear Control Committee [JNCC] meetings and its members' contacts, our side repeatedly urged the South side—according to the decision of the joint meeting of the Republic's government, political parties, and organizations—to revoke the agreement to resume the nuclear war rehearsal, because it runs counter to the joint declaration on denuclearization, by 30 November, and to consider necessary steps so that all the joint committees might be put into operation in December.

The South side's attitude, however, was never positive about our request and just proposal. Moreover, they refused to change their wrong position as the 30

November deadline approached and persistently maintained an attitude of intending to conduct the antidialogue and the antipeace nuclear war rehearsal. In fact, they thoroughly displayed their inveterate flunkeyist disease of being unable to live without flattering and submitting to foreign forces and their evil incurable habit of denying dialogue and peace.

From an ardent desire to rescue dialogue and to move the situation on the Korean peninsula in the direction of detente and peace, our side, however, showed patience and broad-mindedness again and generously extended the deadline so that the South side might withdraw its decision to resume the Team Spirit joint military exercise by 15 December, the first anniversary of the adoption of the historic North-South agreement.

The South side rejected this serious effort and expression of our side's good intentions. Blindly acceding to the Americans' request, they refused to accept their fellow countrymen's request and did not take any positive steps until the 15 December deadline. This showed that the South side values their agreement with foreign forces more highly than their promise to fellow countrymen, giving priority to the interest of foreign forces over the interest of fellow countrymen.

They even made the shameless remark that the Team Spirit joint military exercise is compatible with dialogue, insisting without hesitation on conducting the military exercise.

The South side already has frozen [tonggyol] the first meetings of the North-South joint committees by conducting dangerous and provocative military exercises like Hwarang and Toksuri-92. They are now committing the crime of freezing the North-South high-level talks because of the Team Spirit military exercise, a test nuclear war exercise. This adds another grave crime committed by the South Korean Sixth Republic toward the end of its regime to the numerous intolerable crimes it already has committed before the nation.

We are greatly disappointed that we have discussed the important matters of the nation with a dialogue partner who ignores fellow countrymen and lacks faithfulness, as the persons in authority of the Sixth Republic of South Korea have and gravely protest and resolutely denounce their act of disrupting the ninth North-South high-level talks from being held as scheduled by intentionally pushing ahead with their decision to resume the Team Spirit joint military exercise.

For our nation, dialogue is no doubt important, but the dignity of the nation is more important. Therefore, we clearly state our position to defend the dignity and interest of the nation: It is far from appropriate [oulliji annunda] at this point to sit together with those who infringe upon the national interest in collusion with foreign forces. Persons in authority in South Korea should hold themselves responsible and apologize to the nation for making it impossible to hold the ninth North-South high-level talks as scheduled by pushing ahead with its decision to conduct the criminal Team Spirit joint military exercise, challenging the conscience of fellow countrymen and mankind.

Although the ninth North-South high-level talks will not be held as scheduled, if all obstacles to talks are removed in South Korea, such as the Team Spirit joint military exercise, we think that dialogue and contact between the North and the South will be held smoothly.

[Signed] The North side delegation to the North-South high-level talks

[Dated] 19 December 1992, Pyongyang

North Proposes 28 Dec Meeting

SK2112104092 Pyongyang KCNA in English 1030 GMT 21 Dec 92

[Text] Pyongyang December 21 (KCNA)—Choe U-chin, chairman of the North side to the North-South Joint Nuclear Control Committee, today sent a telephone message to his South side's counterpart, Kong No-myong.

The message says:

At the 13th meeting of the Joint Nuclear Control Committee held on December 17 our side came up with a positive and reasonable proposal to have the 14th meeting on December 28 in order to discuss necessary measures in connection with the fact that your side is creating grave obstacles in the way of implementation of the Joint Declaration on the Denuclearization of the Korean peninsula and of discussion of rules of nuclear inspection between the sides, while not cancelling the agreement on the resumption of the "Team Spirit," a nuclear war game, and to have a contact of members for the discussion of the rules of nuclear inspection earlier.

Far from showing an affirmative response to it, however, your side insisted on holding a contact of members alone again in a telephone message December 19. This is extremely unjustifiable, and we cannot but feel regret at it.

We consider that if your side really intends to remove obstacles in the way of the Joint Nuclear Control Committee and realize North-South inspection at an early date, it should no longer turn away from our side's just proposal to hold the full-dress meeting and contact of members in parallel but take a sincere stand and attitude toward the proposal to have the meeting.

From this point of view, we propose once again that the 14th meeting of the North-South Joint Nuclear Control Committee be held in your side's area at 10:00 on December 28, and the contact of members at the conference room of the Neutral Nations Supervisory Commission at 10:00 on December 24.

Official Telephones Counterpart

SK2112130892 Pyongyang Korean Central Broadcasting Network in Korean 1212 GMT 21 Dec 92

[Text] Choe U-chin, our side's chairman of the North-South Joint Nuclear Control Committee [JNCC], sent a telephone message to the South side's Chairman Kong No-myong on 21 December. The telephone message pointed out the following:

At the 13th JNCC meeting on 17 December, our side came up with a dynamic and rational proposal to hold the 14th joint committee meeting on 28 December to negotiate necessary measures in connection with the fact that your side did not cancel the agreement to resume the Team Spirit joint military exercise—a nuclear war exercise. Your side is also placing a grave obstacle to the implementation of the Joint Declaration on Denuclearization of the Korean Peninsula and discussing the regulations of the North-South nuclear inspection. Our side also proposed that both sides hold a members' meeting to discuss the nuclear inspection regulations before the 14th joint committee meeting.

Our side's proposal to have this contact and to hold a basic meeting concurrently is completely in accordance with the demands presented to the North-South JNCC meeting, as well as the spirit of the clauses of the Joint Declaration on the Denuclearization of the Korean Peninsula that stipulates the elimination of the nuclear war threat which was agreed upon by both sides. It is in accordance with Article 10 of the North-South basic agreement to resolve different opinions and disputes through dialogue and negotiation. It is also in accordance with Paragraph 1 of Article 3 on the agreement of the North-South JNCC to hold at all times the North-South JNCC meeting.

Instead of affirmatively responding to this, your side insisted only on the members' contact again in your 19 December telephone message. This is very unjust, and we consider it regrettable. If your side stands in a truthful position to eliminate the present obstacle to the JNCC and to realize the North-South inspection at an early date, then your side should no longer turn away from our side's just proposal to hold concurrently [pyonghaenghayo] the basic meeting [kibon hoeui] and the members' contact. They should take a sincere position and attitude toward the proposal to hold the basic meeting.

From this standpoint, we propose once again that the 14th North-South JNCC meeting be held at your side's area at 1000 on 28 December. We also propose a members' contact at the conference room of the Neutral Nations Supervisory Commission at 1000 on 24 December.

South Accused of 'Criminal Schemings'

SK1912104292 Pyongyang KCNA in English 1013 GMT 19 Dec 92

["Who Blocks Denuclearisation?"—KCNA headline]

[Text] Pyongyang Dec. 19 (KCNA)—NODONG SINMUN Saturday accuses the South Korean authorities of their criminal schemings to frustrate the implementation of the joint declaration on the denuclearisation of the Korean peninsula.

The South side at the 13th meeting of the North-South Joint Nuclear Control Committee even avoided the designation of the date of the next meeting, contending that the North side was to blame for the delay of "nuclear inspection between the South and the North" and making it the precondition for the revocation of the decision to resume the "Team Spirit" joint military exercises.

This is a ruse to cover up its criminal act in delaying and avoiding the implementation of the joint declaration on denuclearisation and shift the responsibility on to the North, the news analyst says, and continues:

It is none other than the South Korean authorities who have laid hurdles in the way of the implementation of the declaration as the whole course of the sessions of the North-South Joint Nuclear Control Committee shows.

The North side has honestly discharged the obligation it assumed under the agreement between the delegates of both sides. It is quite unreasonable in every respect for the South side to bring forward "North-South nuclear inspection" which is not stipulated in the agreed points as the precondition for the abandonment of the planned war game.

The sinister purpose sought by the South Korean authorities in their scheme to force the "Team Spirit" at any cost is, in the final analysis, to bar the implementation of the North-South agreement and the joint declaration on denuclearisation and avoid nuclear inspection.

U.S. Presence in South Termed 'Anachronistic'

SK1912070992 Pyongyang KCNA in English 0513 GMT 19 Dec 92

["Anachronistic 'Vacuum in Forces' Doctrine"—KCNA headline]

[Text] Pyongyang Dec. 19 (KCNA)—NODONG SINMUN Saturday comes out with a commentary denouncing the undisguised ambition of the U.S. ruling quarters to seize the military control over the Asia-Pacific region.

The news analyst points out that the United States is trying to keep its military presence in the Asia-Pacific region under the pretext of "maintenance of the balance of forces".

He says:

The U.S. ruling quarters claim that if the U.S. troops quit South Korea someone may "invade the South" by taking advantage of the "vacuum" and so they cannot withdraw.

This means, in essence, that they intend to maintain their forces in South Korea indefinitely and keep it permanently as a forward base and anti-communist stronghold.

A permanent occupation of South Korea is a basic demand of the Asia-Pacific strategy of the United States and its Korean strategy.

The purpose sought by them in persistently raising fictitious "nuclear suspicion" against the DPRK is to justify the U.S. troops' occupation of South Korea and nuclear war moves under the pretext of "nuclear threat".

The U.S. troops' occupation of South Korea, a leftover of the era of Cold War, is the chief obstacle to Korea's reunification and a source of the growing tensions and increasing danger of war in this region.

It runs counter to the trend of our times toward detente and also to the demand and aspiration of the Korean people and the world people for peace in Korea and her reunification.

The U.S. policy designed to keep its forces in South Korea according to the doctrine of "vacuum in forces" is anachronistic. It must be rectified at an early date.

KCNA Assails U.S., Japan Over Nuclear Issue

SK1912064992 Pyongyang KCNA in English 0504 GMT 19 Dec 92

[Text] Pyongyang December 19 (KCNA)—Japan's Defence Agency, in a report presented to the Cabinet's security committee Thursday, expressed "concern", alleging that the DPRK has a "nuclear weapon development program" and is "developing a long-range missile capable of striking at western Japan," according to a foreign press report.

Earlier, on Tuesday, the U.S. CIA director, in a speech, prattled that the DPRK was planning to "develop nuclear weapons" and "might be developing a missile with a range of above 1,000 km".

It is not accidental that such tricky trumpet duet came from Japan and the United States.

Now the world public is vehemently denouncing the very dangerous massive sea transport of plutonium by Japan and hitting hard at the Japanese reactionary authorities for putting spurs to nuclear arming.

The fair world opinion is strongly protesting the step of the U.S imperialists to resume the "Team Spirit" joint military exercises, a test nuclear war, and sternly denouncing in the name of history the anachronistic criminal act of the United States in refusing to give up its policy of turning South Korea into a nuclear base.

The allegation of the U.S. and Japanese reactionaries recklessly slandering the peaceloving DPRK, turning a deaf ear to this angry shout of the world people, are, in the real sense of the word, an act of a guilty party filing the suit first.

The fact shows that the U.S. and Japanese reactionaries are working hand in glove with each other in the anti-DPRK smear campaign to divert elsewhere the attention of the angry world people from them.

Hating as a thorn in the flesh the DPRK which is making a long drive in the building of socialism, they are foolishly seeking in such false propaganda to impair its high international prestige and cut off the ties of solidarity extended by the world's peaceloving people to it, but in vain.

The world's progressive people who defend justice and love truth always see through the ugly color of imperialism and reaction.

The U.S. and Japanese reactionaries must stop hurling slanders at others and know that it is beneficial to themselves to end such a criminal act threatening peace of the Korean peninsula and the world with nuclear weapons.

Party Chairman Assails South's Nuclear Development

SK2012083292 Pyongyang KCNA in English 0805 GMT 20 Dec 92

[Text] Pyongyang December 20 (KCNA)—Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party, in a statement Saturday branded the development of nuclear weapons by the South Korean rulers as a malicious challenge to the desire of the Korean nation and mankind to live in a peaceful land free from nuclear weapons.

The outcry over the "nuclear problem" raised by the South Korean rulers in chorus with the United States against the North is a criminal act to conceal the scheme of the United States to turn South Korea into a nuclear base and their own nuclear armament, divert elsewhere the attention of the world people and hasten the provocation of a nuclear war, he said, and continued:

Development of nuclear weapons by the South Korean rulers is a crime to drive the whole nation into a nuclear holocaust. In no case can it be justified.

The South Korean rulers must stop at once their row over "nuclear suspicion" against the North which cannot go down with anyone, and admit, apologize for and immediately stop their development of nuclear weapons.

The South Korean rulers must promptly accept the North's just proposal to make an overall nuclear inspection involving the U.S. nuclear weapons and bases in South Korea.

KSDP Chairman Denounces South's Nuclear Plan

SK1912092992 Pyongyang KCNA in English 0530 GMT 19 Dec 92

[Text] Pyongyang December 19 (KCNA)—Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party [KSDP], made public a statement on Dec. 18 as regards the nuclear armament in South Korea which presents itself as an undeniable realistic danger.

The statement bitterly denounces the South Korean authorities' development of nuclear weapons which has entered the practical stage today through preparatory work and full-dress stage after it was made a policy in the 1960s in top secrecy. It brands it as a vile act to exterminate the fellow countrymen and devastating the country and a most heinous treachery blatantly challenging the national desire for peace of the country and its peaceful reunification.

Noting that nuclear weapons are needed only for a war of aggression and their development and nuclear arming are never compatible with the noble idea of peace, the statement says that the development of nuclear weapons by the South Korean authorities not only proves the deception of the "declaration on the absence of nuclear weapons" made by them but also attests to the absurdity of their outcries over the "suspicion of North's nuclear development".

The South Korean authorities must frankly admit and apologize for their development of nuclear weapons, stop it at once, accept the North's proposal for an overall inspection of the U.S. nuclear weapons and bases in South Korea, revoke the decision to resume the "Team Spirit", a nuclear war rehearsal, with the United States and get the U.S. forces and nuclear weapons totally withdrawn from South Korea, the statement stresses.

Kim Il-song Sends Message to Indonesian Leader

SK1712055192 Pyongyang KCNA in English 0423 GMT 17 Dec 92

[Text] Pyongyang December 17 (KCNA)—The great leader President Kim Il-song sent a message of sympathy Wednesday to Suharto, president of the Republic of Indonesia. Upon hearing the unhappy news that many casualties and material losses were caused by a strong earthquake on the Flores Island, Indonesia on December 12, President Kim Il-song in the message expresses deep sympathy and consolation to the president and, through him, to the inhabitants of the afflicted area.

He also expresses the belief that the government and people of Indonesia will recover from the earthquake damages and stabilize the life of the inhabitants of the afflicted area at an early date under the leadership of the president.

Kim Il-song Greets Niger President on Anniversary

SK1712114792 Pyongyang KCNA in English 1036 GMT 17 Dec 92

[Text] Pyongyang December 17 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Ali Saibou, president of the Republic of Niger, on the occasion of the 34th anniversary of the proclamation of the Republic.

President Kim Il-song wishes the president and people of Niger greater success in the work for national unity and development of the country and expresses the belief that the friendly and cooperative relations between the two countries will continue to grow stronger and develop.

South Korea

Reportage, Commentary on Presidential Elections

Chong Chu-yong Congratulates Kim Yong-sam

SK1812222892 Seoul KBS-1 Television Network in Korean 2212 GMT 18 Dec 92

[Statement by Chong Chu-yong, presidential candidate of the United People's Party, on his defeat in the presidential election in Seoul—live]

[Text] I humbly accept the result of the presidential election. I would like to express my sincere gratitude to the people who gave their warm support to me in this difficult situation. I congratulate candidate Kim Yong-sam. Thank you.

YONHAP Profiles Kim Yong-sam

SK1812225092 Seoul YONHAP in English 2142 GMT 18 Dec 92

[Text] Seoul, Dec. 19 (YONHAP)—Kim Yong-sam achieved his childhood dream Saturday with victory in the Korean presidential election and became the first president in 32 years who isn't from the military.

Kim, 65, once wrote "future president" next to his name while he was a schoolboy and fulfilled his ambition Saturday after passing through a mill of political transformation.

Kim entered politics at the age of 25 on Koje, a big island governed by South Kyongsang Province, and has served as floor leader five times, party spokesman twice, head of an opposition party three times and ran for president twice. He was the youngest lawmaker, longest-serving floor leader and youngest party president in the nation's history.

During the dark and moody autocratic days of the 1970s under President Pak Chong-hui, Kim made his mark by launching a democratic movement.

Adopting the large-mindedness of Cho Pyong-ok, who was a fierce opponent of Syngman Rhee, and the force of U.S. President John F. Kennedy as the desirable political image, Kim has passed for a bold adventurer and matchless self-driver.

He shouldered the brunt of the anti-dictatorial struggle with Kim Tae-chung, a long-time rival and sometimes collaborator, challenging President Pak in 1974 after being elected chief of the New Democratic Party. Kim was forced out of parliament in 1979, just months before Pak was assassinated by his trusted intelligence chief.

In the early 1980s, when Gen. Chon Tu-hwan seized power in a military coup and opposition politicians were virtually forced out of politics, Kim went hiking in the hills and mountains around Seoul and formed the "Democratic Alpine Club."

The club was instrumental in providing the politician with a chance to talk about politics without reprisal, or at least without surveillance.

Kim staged a 23-day hunger strike in 1983 and led protests in June 1987 that made President Chon bow to the people's demand for more political freedom and freedom of the press.

The severest blows were dealt twice, in 1970 and 1980. Kim, asserting that the standard-bearer should be in his 40s, tasted defeat at the hands of Kim Tae-chung in the second final ballot for the New Democratic Party's presidential nomination in 1970.

And then, failing to iron out differences with Kim Tae-chung on choosing a single candidate from the opposition in 1987, he lost to No Tae-u, a close ally of Chon and another retired general, in a four-way race for the Presidency. The fourth man was Kim Chong-pil, now an ally.

In the 1988 general elections, Kim's Reunification Democratic Party trailed Kim Tae-chung's Party for Peace and Democracy in National Assembly seats.

In 1990, the underdog of the 1988 presidential election agreed to a three-party merger in a self-styled "country-saving great decision" participated in by the Democratic Justice Party, New Democratic Republican Party and Reunification Democratic Party, saying he sought a breakthrough in the political impasse resulting from "a smaller ruling party and a larger opposition."

With the reshaping of the political map, he was criticized as a turncoat by the rest of the opposition for long afterwards.

Kim transformed himself into the No. 2 man in the ruling party and became its presidential candidate two years later, but the ticket didn't come easy.

His prestige was injured as the presidential candidate of the ruling party when his rival for the nomination dropped out of the race, but the nine-term lawmaker passed the test. Bickering over the nomination resulted in the mass defection of anti-Kim lawmakers, including the defeated rival maverick Yi Chong-chan.

Kim is in the habit of jogging four kilometers around the hills near his home in Sangdo-tong, southwestern Seoul, for an hour from 5:30 each morning to keep in shape.

Rain or shine, he has not skipped a day in almost 25 years, an indication of his strong will.

"We can borrow brains but not health," he likes to say. "There can be a spokesman, but not a heardsman." He means that he wants to be a leader to supervise, not to do things.

He likes calligraphy, writing such maxims as "there are no obstacles before the righteousness" and often says the day will dawn when even if the cock is throttled and cannot crow, a platitude in vogue during the blue days.

Holder of a bachelor's degree in philosophy from Seoul National University, Kim has written six books.

He likes to be called "Kosan," which comes from his birthplace of Koje (Ko) and his political power base of Pusan (san). He is 168.5 centimeters tall, a Presbyterian and attends Chunghyon Church in Seoul.

His father is Kim Hong-cho, 81, and his wife, Son Myong-sun, has provided him with two sons and three daughters.

Defeated Candidates Cite 'Regionalism'

SK1812225692 Seoul YONHAP in English 2245 GMT 18 Dec 92

[Text] Seoul, Dec. 19 (YONHAP)—Chong Chu-yong was the first candidate to concede defeat and congratulate Kim Yong-sam on his election victory Saturday. Kim Tae-chung remained silent, but most other candidates blamed regional antagonism for their loss. "I congratulate candidate Kim Yong-sam. I thank the people," a gruff Chong told a pre-dawn press conference, forcing a smile.

Pak Chan-chong of the New Political Reform Party, who was firmly in fourth place with most of the vote counted, said he had confirmed through his campaigning the people's zeal for change and a generational transfer of political power.

"The ardor for generational change has been sacrificed by nation-destroying regionalism and the (United People's Party's) ruinous drive that held the livelihood of Hyundai Group people hostage. However, the lesson we learned from this election will serve as a prime mover of historical development," he said. He said it was most regretful that regional antagonism had intensified in actuality while appearing to ease on the surface.

Independent Paek Ki-wan was the only candidate who publicly refused to admit defeat. "This election has been smeared with irregularities and corruption and I can't accept the result. Mr. Kim Yong-sam does not have legitimacy as the chief executive because he was elected by illegal, corrupt campaigning," Paek said. He said he would continue his political struggle against the conservative political forces.

Yi Pyong-ho of the Korea Justice Party and his campaign crew were so shocked that they could not officially comment on the election returns. The lawyer got less than 0.2 percent of the vote.

Provincial Vote Decided Victors

SK1812232492 Seoul YONHAP in English 2310 GMT 18 Dec 92

[Text] Seoul, Dec. 19 (YONHAP)—South Koreans chose their 14th president Friday in a completely free and democratic election, but regional hatred between the Kyongsang and Cholla Provinces played a decisive role in Kim Yong-sam's victory.

The main reason that Kim was able to gain more than 40 percent of the votes cast was overwhelming support in his home ground of Pusan and in South Kyongsang Province and Taegu, the power base of President No Tae-u's government.

Of some 29,400,000 votes cast, 8,490,000 came from the Kyongsang Provinces and most were for Kim.

As usual, Kim Tae-chung of the Democratic Party received more than 90 percent of the votes from his fortress, the Cholla Provinces, but there are 1.5 million more voters in Kyongsang than in Cholla.

That was the difference between the victor and runnerup.

During their campaigns, all presidential candidates advocated so ardently the need for eradicating regionalism. And on the surface, it appeared as though it would go away.

Regionalism not only stayed alive but actually gained strength.

Even in the Chungchong and Kangwon Provinces, where Chong Chu-yong of the United People's Party had been expected to do well, Kim Yong-sam demonstrated his strength, receiving 35 to 41 percent of support.

Moreover, in Seoul, where Kim Tae-chung had been expected to rise more than 10 percentage points over Kim Yong-sam, the margin between the two was only 2 to 3 percent. On top of it, Kim Yong-sam upset Kim Tae-chung in Inchon and other crucial Kyonggi provincial areas where the latter had been forecast to do well.

Kim Tae-chung had hoped that Chong Chu-yong, as a conservative candidate, would be able to bite a chunk out of Kim Yong-sam's share, but the expectation fell short as Chong fared much poorer than had been expected.

Kim Yong-sam, who had expected to garner about 70 percent of the votes in the Kyongsang Provinces, did unexpectedly well by amassing 73 percent in Pusan and 62 percent in Taegu and many analysts said the so-called Pusan bugging incident had backfired.

When the secret meeting of Pusan mayor and regional government officials to discuss ways to support Kim Yong-sam was exposed by the upp earlier in the week, it caused a storm of sorts and was expected to work against Kim Yong-sam.

According to opinion polls, many UPP supporters and undecided voters in the Kyongsang Provinces deserted Chong Chu-yong and surged toward the Kim Yong-sam camp. Some analysts believe the expose played decisively and negatively against Chong Chu-yong.

In the meantime, Kim Tae-chung did well in Kwangju, pulling an incredible 96 percent of votes, and swept the rest of the Cholla Provinces. But he was able to get only 8 to 9 percent in Taegu and North Kyongsang Province and 10 to 12 percent in Pusan and South Kyongsang Province. He had hoped to receive at least 15 to 20 percent of the vote in these areas.

As predicted, Kim Yong-sam fell far behind Kim Tae-chung among the largest age group of voters in their 20s, while he finished slightly ahead of Kim Tae-chung in the age group of the 30s and dominated the age group of the 40s and above.

Kim Tae-chung's Concession Statement

SK1912001092 Seoul KBS-1 Television Network in Korean 2335 GMT 18 Dec 92

[Statement by Kim Tae-chung, presidential candidate of the Democratic Party, at a party briefing office in Seoul—live]

[Text] My respected fellow countrymen: I have once again failed to win your confidence. I attribute this to my lack of virtue and humbly acknowledge my defeat.

I truly congratulate candidate Kim Yong-sam on his election as president. I wish President Kim Yong-sam [Kim Yong-sam chongjae] success in all fields—political, economic, and social—as president of this country and great contribution to the democratic development of the country and the reunification of the fatherland.

My dear fellow countrymen, I will resign as lawmaker as of today and return to the life of an ordinary citizen. I cannot help being filled with emotion when I think that I am in fact ending my 40-year political life of trials and hardships.

I have enjoyed enormous love and encouragement from you, the people. I thank you very much for that. I am very sorry that I am leaving without being able to repay the great grace you have accorded me. In the meantime, my party comrades [tongjidul], including Chairman Yi Ki-taek, have accorded me untold cooperation, support, and encouragement for a long time. I have no way of expressing the great grace my party comrades have afforded me. I pledge that I will devote myself to the development of the party and my comrades as a party member.

I once again thank you and wish the people and my party comrades success. I deeply thank the people of the press. I leave in the hands of history all the evaluations of myself and return to a quiet life as a citizen. I wish the people and my party comrades good luck.

Kim Yong-sam's Victory Statement

SK1912020492 Seoul KBS-1 Television Network in Korean 0000 GMT 19 Dec 92

[Statement by Kim Yong-sam, Democratic Liberal Party presidential candidate, on his victory in the 14th ROK presidential election at party headquarters in Seoul—live]

[Text] My dear fellow countrymen: Thank you very much. At this moment I feel more responsibility and solemn sense of mission than the joy of being elected. My victory is the victory of all of our great people—the victory of all the people who want change and reform in stability.

We have now created the government where reason prevails [munmin chongbu] both in name and reality. Above all, we have opened in this election a new chapter in election culture through an unprecedented fair election in the history of the constitutional government and have secured its legitimacy.

I express my respect for candidate Kim Tae-chung and candidate Chong Chu-yong and all other candidates who have put up a good fight to the end. I will listen to their valuable advice on the development of the country. I will listen more humbly to the voices of those who supported other candidates.

In the election process, I heard diverse opinions. We witnessed scenes of confrontation and conflict as well. However, we should consign to the past those frictions we experienced in the election process. We should gather the strength of us all for the hopeful future. To win the tremendous challenge at home and abroad, we need to gather the country's strength more than ever. I will devote myself with all my passion to opening an era of great harmony.

My respected fellow countrymen, we should look ahead more broadly and farther. We need your enthusiastic participation to build our country into a new Korea surviving the process of the reformation of the new international order. We will be bold enough to revise the old systems, old practices, and old rituals. New politics will begin.

From now on, I will institute politics for the people's life, for the welfare of the people. I intend to bring an end to the unproductive political controversy, politics for the purpose of politics. Together with the people, I will open a new economy. I will bring forth a society of justice where one reaps according to what he sows. I will open an era of the great Korean nation uniting the divided nation into one.

I will help our country become a central state of the Pacific Rim era. For this, I will develop our country's relations with our existing allies into even closer ones and intensify our cooperation with our neighbors with whom we have established new relations.

My dear fellow countrymen, a new Korea does not come of its own accord. It does not come as a miracle. It demands our blood, sweat, and tears. We should run again revitalizing the spirit of the great Korean people. I call upon you the people to share the pain. I will be at the head of the ranks walking the painful long journey.

Now the election is over. We should all return to the normal life. Let us brace ourselves up as the starting point of creating a new Korea. I will make perfect preparations so that the people may not have to worry in the period of government transition. I call upon all public office holders to cooperate with the transition wisely and without the slightest perturbation.

Finally, I give all the glory of my election to the people who afforded me warm support and encouragement during the election. I express my sincere gratitude once again to my fellow party members who worked hard for my election, the neutral cabinet, the public officeholders, and the election management personnel who worked hard for fair election, and the journalists who made painstaking efforts to report the truth to the people as soon as possible.

Thank you very much. [applause]

President-Elect To Stress Unification

SK1912021292 Seoul YONHAP in English 0149 GMT 19 Dec 92

[Text] Seoul, Dec. 19 (YONHAP)—President-elect Kim Yong-sam, swept to power by a margin of almost 2 million votes, vowed Saturday to work for unification of the country, open an era of the great Korean people and build Korea into the central nation of the Asia-Pacific age.

In a victory press conference, Kim said that he would work to strengthen cooperation with Korea's traditional allies as well as those with whom the nation had recently established ties.

Describing his election as a victory for all people who wanted "change amid stability," Kim said he would do his utmost for the well-being of the people while trying to stop counterproductive politics for politics sake. He would promote harmony and solidarity, the candidate of continuity said.

"I am going to make our society a society in which you receive as much as you have worked for with sweat and in which you reap what you sow," he said.

Asked to evaluate Friday's polling, Kim said it was the cleanest and fairest election ever held in this country.

There was no doubt that his large margin of victory gave his government legitimacy, Kim said. But he said he was also prepared to receive advice from the leaders of all segments of society, especially his closest rival in the election and long-standing friend, Kim Tae-chung.

Kim Yong-sam, speaking 30 minutes after Kim Tae-chung had conceded defeat, said Kim Tae-chung had wished him to become a fine president and he was saddened by Kim's announcement that he was retiring from the National Assembly and active politics.

Kim Yong-sam indicated, however, he was going to consult on national affairs with his erstwhile political ally, rival and friend. Kim said he was going to meet Kim Tae-chung shortly to discuss their future.

With regard to the transition, Kim said he planned to set up a preparatory committee in order to carry out the task smoothly.

Pak Hui-tae, spokesman of the Democratic Liberal Party, issued a statement Saturday morning, thanking the people and promising them that Kim would carry out their mandate for the construction of a "new Korea."

Pak also congratulated the opposition candidates and all those who voted for them for putting up "a good fight."

"We no longer regard them as our rivals but as partners in the nation building," Pak said.

He promised that Kim's government would reflect their wishes and desires in its policies.

Kim Yong-sam Holds News Conference

SK1912023092 Seoul KBS-1 Television Network in Korean 0009 GMT 19 Dec 92

[News conference by President-Elect Kim Yong-sam of the Democratic Liberal Party, DLP, with unidentified domestic and foreign reporters at the DLP Headquarters in Seoul on 19 December—live]

[Text] [Reporter] I am reporter Kim Song-su of YONHAP News Agency. First of all, I would like to sincerely congratulate you on your election as president. In your statement to the people you said that you would make complete preparations so as to ensure stability during the transitional period. Do you plan on taking detailed measures with the current president in dealing with this matter? If so, could you elaborate on them? Also, now that the DLP has won the election, will the party's hierarchy undergo reorganization?

[Kim Yong-sam] Let's not talk about various issues all at once. What I would like to say is that I plan, first of all to form an advisory preparatory committee to assist me in assuming office as president. This preparatory committee will be formed so that a smooth transfer of power can be achieved. What I would also like to say is that I am expressing my gratitude to the people through you reporters, as I feel that thanking the people is of utmost importance. I plan to telephone President No Tae-u; Prime Minister Hyon Sung-chong who led the neutral cabinet; Chairman Yun Kwan of the Central Election Management Committee who made all efforts to manage the presidential election; and Representatives Kim Tae-chung and Chong Chu-yong. Before holding this news conference, I received a phone call from Representative Kim Tae-chung, so I won't need to call him. I listened to Representative Kim Tae-chung's news conference. I believe Representatives Kim Tae-chung and Chong Chu-yong fought well in the presidential election. Representative Kim Tae-chung resigned from his position as lawmaker and said that he would retire from the political arena. I feel badly about this. Although we faced various difficulties and differences in method, we have worked for the same cause of achieving democracy in the fatherland for the past 30 years. In talking to Representative Kim Tae-chung over the phone, I said that even though he plans to leave the political arena, I hope to meet him as soon as possible. He was very satisfied with this. He said that he will actively help me and asked me to be a good president for the ROK.

[Reporter] I am reporter Kim Chin-sok of the Korea Broadcasting System. Are you satisfied with the number of votes you won in the presidential election? Also, the election results seemed to indicate some regional sentiment. How will you reflect the opinions of the people who did not vote for you? Would you please elaborate on this?

[Kim Yong-sam] Although I have not mentioned this in advance, I have expected this—I am proud that this election has been the fairest election in our history. Of course, there have been various minor happenings such as malicious propaganda and arguments over government-backed campaign. I think that these happenings have had no impact on the entire flow dominating the presidential election. I have insisted on creating a neutral government and gave up all kinds of vested rights because I made up my mind that I should have a bold and just election. I think that this was a wise choice. Some minor things in the process of election are taken for granted even in some advanced countries, including the United States. The election results show that I have received even support from voters throughout the country and I am quite satisfied with this. No ROK president has ever received more than 40 percent of votes from the voters. This is a new start and our people are really great. I think that the election results reflected the true will of our people who want change and reform amid stabilization. I feel a sense of heavy responsibility for the mission which I have before our people.

[Reporter] I am Kim Yong-chol from SEOUL SINMUN. Would you tell us how you will handle the Pusan case? Will you simply regard it as a happening of the past?

[Kim Yong-sam] Well, this is an unhappy thing. I must say that this case gave me a great shock beyond imagination. I think that what the people consider as the most important thing is the protection of privacy. I think that how the bugging and secret meeting case happened should be brought to light at all costs. I am sure that this case will come to light.

[Reporter] I am Chong Sang-hyon from MAEIL KYONGJAE SINMUN. The economy has been one of the hottest issues during the presidential election campaigns. You have also repeatedly stressed your interest in economic issues. You have stated that you will form a preparation team for a new economy. When will this team be inaugurated? I understand that many people greatly contributed to your election as president, please tell us what plans you have to use these people for various government posts?

[Kim Yong-sam] Well, we have plenty of time to think about this matter. Let's discuss this later.

[Reporter] I am a reporter from NIHON KEIZAI SHIMBUN. You said that you will further strengthen existing relations with friendly nations. Would you please tell us your new direction for relations with Japan and the United States, in particular, if you have any?

[Kim Yong-sam] The ROK has grown so remarkably that any country in the world cannot consider the ROK an unworthy nation. We are maintaining relations with almost all the countries in the world. Therefore, I had better not comment on this in this conference. Of course, I have various plans for that. What I consider as the most important thing in the international affairs is national security, trade, and relations with the neighboring countries, including Japan, and the United States. My statement on this means that relations with Japan and the United States will be a pivot in our politics. Thank you.

CEMC Declares Kim Yong-sam Winner

SK1912121592 Seoul YONHAP in English 1206 GMT 19 Dec 92

[Text] Seoul, Dec. 19 (YONHAP)—The South Korean Central Election Management Committee (CEMC) declared officially Saturday that Kim Yong-sam, presidential candidate of the Democratic Liberal Party (DLP), won the 14th presidential election. The CEMC made the announcement after a plenary session of committee members.

Though the counting process didn't finish in Wonju, Kangwon Province, as of six P.M., a CEMC spokesman said the panel ruled that it didn't affect the election results, notably those of kim.

CEMC Chairman Yun Kwan afterwards delivered an official notification to Chong Won-sik, who was in charge of campaign activities for Kim. Yun, through a declaration, thanked the nation for making every endeavor in conducting a clean, fair election. Yun also thanked the neutral government led by Prime Minister Hyun Sung-chong for making its utmost in fulfilling the goal of conducting a clean election.

While delivering his personal congratulations to Kim, Yun expressed his gratitude to other candidates including Kim Tae-chung for accepting the results in a humble manner.

YONHAP Carries Final Tally

SK2112015292 Seoul YONHAP in English 0033 GMT 21 Dec 92

[Text] Seoul, Dec. 21 (YONHAP)—Following is the final tally of the 14th South Korean presidential election on Friday, compiled by the Central Election Management Committee Sunday afternoon.

Candidate	Votes (party)	92 gen. eln.	87 eln.
Kim Yong-sam	9,977,332	7,923,719	6,337,581
	(41.4%)	(38.5%)	(28.0%)
Kim Tae-chung	8,041,284	6,004,577	6,113,375
	(33.4%)	(29.2%)	(27.1%)
Chong Chu-yong	3,880,067	3,574,419	n/a
	(16.1%)	(17.4%)	
Pak Chan-chong	1,516,047		n/a
	(6.3%)		
Yi Pyong-ho	35,739		n/a
Kim Ok-son	86,292		n/a
Paek Ki-wan	238,648		n/a
No Tae-u (incumbent)	n/a	n/a	8,282,738
			(36.6%)

Kim Tae-chung Resigns From Assembly

SK2112025992 Seoul YONHAP in English 0244 GMT 21 Dec 92

[Text] Seoul, Dec. 21 (YONHAP)—Opposition leader Kim Tae-chung made good on his vow to retire from politics Monday and submitted his resignation as a lawmaker.

Kim, life-long flagbearer for the opposition and unsuccessful bidder for the Presidency on the Democratic Party ticket Friday, declared he was retiring completely from politics. He and his wife went into seclusion Saturday, even skipping Sunday church service. They left Seoul on Monday morning after their whereabouts were discovered.

DP Deputy Spokesman Pak Chi-won said Kim had received party leaders but repeatedly confirmed to them that he would not return to politics. He denied rumors of a meeting with President-elect Kim Yong-sam, saying that Kim Yong-sam had proposed such a meeting but Kim Tae-chung had replied that he was no longer a politician.

Pak fully confirmed Kim's pledges, saying the former DP president would not do anything to influence party affairs. "Kim wishes that party co-leader Yi Ki-taek will handle everything well and sends his support as an ordinary party member, but he will not try to exert influence," Pak said. Kim hoped to write books, talk with young people and lecture on international affairs, Pak said.

He had emphasized his determination to be a political hermit, saying he did not wish to have his name mentioned by the press for a year or two, Pak said.

The spokesman said Kim's residence has been pounded by phone calls of encouragement, even by people who did not vote for him. "Most of the callers respected and regretted Kim's decision for retirement, calling it an act becoming of a leader," he said.

Kim's retirement has put Namkung Chin, No. 23 on the national constituency list, into the National Assembly. Namkung, 50, is a graduate of Korea University Law Department and deputy secretary-general of the Democratic Party.

President No Offers Congratulations

SK1912025092 Seoul YONHAP in English 0246 GMT 19 Dec 92

[Text] Seoul, Dec. 19 (YONHAP)—President No Tae-u congratulated President-elect Kim Yong-sam on his election victory Saturday morning. No, saying Kim won by a handsome margin with support from across the country, characterised the result as a sign of the people's wish for development in stability.

"It is a natural course of history that you, who have devoted your life to struggling for democracy, will assume the presidency and take over the duty of accomplishing democracy, prosperity and unification," he said. "Our democracy has definitely developed a step further and we will be able to realize political stability and a strong government as all the people wish."

Kim's victory was particularly significant because it came without outside support amid impartial management by a neutral cabinet, he said. "In international society, this election is rated as the most fair and orderly to manifest the maturity of Korean democracy," the president said.

No then telephoned Kim Tae-chung, candidate of the Democratic Party, to console him on his failure. "You have contributed to democratization no less greatly than President-elect Kim Yong-sam. History well knows this," No told the opposition stalwart.

Kim Yong-sam's Economic Aides Profiled

SK2112023192 Seoul YONHAP in English 0200 GMT 21 Dec 92

[Text] Seoul, Dec. 21 (OANA-YONHAP)—It's no secret that President-elect Kim Yong-sam was thoroughly tutored in the economy during his campaign, and now the tutors are ready to come out of the woodwork to claim major economic posts.

In the forefront is Han I-hon, recruited as Kim's economic aide in October 1991, when Han was a consultant for the Democratic Liberal Party [DLP].

Han, born in May 1944 in Kimhae, South Kyongsang Province, is a graduate of Kyongnam High School, Kim's alma mater. He went to the Commerce College of Seoul National University and joined the Economic Planning Board [EPB] in 1970. He served as director of the EPB's Economic Planning Bureau before entering the DLP in 1990. Said to be strong in both theory and practice, Han was Kim's shadow on the campaign trail, directing the candidate's economic pledges.

Han's chief rival is Pak Chae-yun, whom Kim recruited last July as his special assistant. Pak is from Kim's hometown of Pusan and his ties with the president-elect are said to be from when Kim was an opposition leader.

Born in July 1941, Pak majored in economics at Seoul National University and taught there from 1971 until he was named a member of the Monetary Board with the central Bank of Korea in 1987. He later served as president of the Korean Association of Financial Studies in 1989 and switched to chief of the Korea Monetary Institute in 1991. Pak coined the phrase "new Korea economics" during the campaign, emphasizing "y-nomics" (with 'y' taken from Kim Yong-sam's first initial) based on complete liberalization.

The professor has already put together a new economic reform team, convinced that President No Tae-u's failure was taking too much time drafting reform plans to actually carry them out. Pak's idea is to draft the plans before taking office, and the plans call for price stability and an international balance of payments surplus in the early years and growth in the latter part of the administration.

Other economic brains include So Sang-mok, director-general of Policy Coordination Office II, Reps. Yi Won-cho and Hwang In-song, former Finance Ministers Sakong Il, Kang Kyong-sik and Kim Man-che, ex-Trade and Industry Minister Kum Chin-ho, head of Korea Development Institute [KDI] Song Hi-yon, KDI researcher Yi Kyu-ok and former DLP member Hwang Byong-tae.

Editorials Comment on Kim Victory

SK1912234392

[Editorial Report] South Korean vernacular daily newspapers carried editorials on the outcome of the 19 December presidential election.

CHOSON ILBO, a middle-of-the-road daily, carries on page 3 a 1,600-word editorial entitled "President for Reconciliation and Mature People." The editorial first stresses the importance of harmony in the aftermath of the presidential election. The editorial then says: "For us to cure wounds from the election at an early date and build a better future, it is necessary for the president-elect and the losers from the election to join hands and achieve reconciliation."

Referring to the presence of conflicts in ROK society, the editorial says: "What our people must do at this time when the presidential election is over is to join efforts to end the conflicts in our society. We should not turn a blind eye to or make light of them merely because the election is over. The election campaign was very fierce because of those conflicts.

"Our people must frankly admit to the presence of such conflicts and make positive efforts to bring an end to them, because genuine national reconciliation would be impossible if some quarters of our society are not isolated or disaffected."

The editorial also says that the election has opened a era of civilian rule, adding that the new president must "listen to demands from various walks of life and to remove causes of conflicts in society."

HANGUK ILBO, a moderate newspaper, carries on page 3 a 1,200-word editorial entitled "Be Humble to 'People's Choice'—It Is Time That We Pool Our Strength To Minimize the Adverse Effects of the Election."

The editorial says that the most important issue is for the president-elect to be reconciled with his opponents and for the losers to accept their defeat and join in national reconciliation. The editorial also says: "In the election, our people expressed hopes for changes and reforms. Therefore, the president-elect and his party must seriously perceive those hopes and fulfill their campaign promises one by one without fail."

HANGUK ILBO also carries an 800-word editorial on page 3 entitled "Economic Order Must Be Reestablished First." The editorial first elaborates on the adverse effects which the presidential election has exercised on the ROK economy. Then, the editorial says that the "president-elect must promote an atmosphere at the earliest possible date to ensure that businessmen devote themselves to economic activities." The editorial concludes by saying: "Stability and continuity are important in the national economy. The new administration must not radically change economic policies. We think the new administration must give priority to reforms while also maintaining stability."

SEOUL SINMUN, a pro-government newspaper, carries a 1,600-word editorial on page 3 entitled "We Give the Glory to the Victor—Let Us All Return to Our Own Places." KYONGHYANG SINMUN, a moderate newspaper, carries on page 3 an 800-word editorial entitled "Candidates Must Humbly Accept the People's Choice." CHUNGANG ILBO, an independent newspaper, carries on page 3 a 1,600-word editorial entitled "Let Us Pursue Stability and Reforms Based on Reconciliation." The three editorials expressed similar opinions.

For example, the SEOUL SINMUN editorial congratulates the president-elect and expresses condolences to the losers. The editorial also praises the government for holding a fair presidential election. In conclusion, the editorial asks the president-elect and the losers to join the new administration's strive for reforms amid stability.

HANGYORE SINMUN, an antigovernment newspaper, carries on page 2 an 800-word editorial entitled "What President-Elect Kim Yong-sam Must Do." The editorial first deplores the unchanging practice of the use of money and government power and slanderous propaganda in the election campaign. Referring to the coverage of the election campaign by the mass media, which according to the editorial proved to be biased in favor of the Democratic Liberal Party, the editorial says that this election has awakened us to realize that "progress or reform is possible only when readers and viewers correct the mass media." The editorial also asks President-elect Kim Yong-sam to know that he has won a mere 40 percent of the votes, adding: "This means that 60 percent, an absolute majority, opposed him. Therefore, he must reflect not only the hopes of his supporters but also those of his opponents on state affairs. This will be the way for him to pursue reforms while maintaining stability, which he has promised."

TONG-A ILBO, an independent newspaper, carries on page 3 an 800-word editorial entitled "Election of Mr. Kim Yong-sam As President." The editorial first highly assesses Kim Yong-sam's election as president in that his election would "lead to no controversy over the legitimacy of the regime, our country's chronic disease." The editorial says that people voted for him not only because they believed his promises were "reliable" but also because they believe that he was "trustworthy." The editorial concludes by saying: "We hope that the new government would pursue national reconciliation through forgiveness, magnanimity, and generosity. We also hope that based on this national reconciliation, it would positively pursue to build a new Korea."

MAEIL KYONGJE SINMUN, a moderate economic daily, carries on page 3 a 1,600-word editorial entitled

"Choice of Stability—It Is Time That We Pool Our Strength To Achieve Great Reconciliation and Economic Revival."

The editorial first congratulates Kim Yong-sam on his election as president, saying that the people's clear-cut judgment this time has put an end to the confrontation between Kim Yong-sam and Kim Tae-chung. The editorial asks President-Elect Kim Yong-sam to make every effort to fulfill his promises on reforms amid stability, clean politics, and strong government. The editorial also asks the new administration to make every effort to revitalize the national economy and lift all government restrictions on private businesses to ensure that Korean businesses maintain their competitive edge in international markets.

Papers on Parties' Successes, Failures

SK2112030292

[Editorial Report] HANGUK ILBO, a moderate ROK vernacular daily, carries on page 2 of its 19 December issue a 2,500-word article by reporters Yu Song-sik and Yi Chae-yol analyzing the cause of the Democratic Liberal Party's [DLP] victory and the cause of the failure of the Democratic Party [DP] and the United People's Party [UPP] in the presidential election.

First, the article attributes the DLP's success to its "scientific campaigning", in which the candidate "was managed like a good" and its "value" to attract voters' interest was maximized. The article stresses that the DLP effectively combined its two different images—the major faction's image of "stability" and Kim Yong-sam's image of "reform"—in the campaigning.

The article also points out that the DLP "focused on public relations evenly to people in all classes, old and young generations, and all areas, by generally mobilizing all its official and unofficial organizations."

In addition, the article notes that Kim Yong-sam's "ability to instantaneously cope with and break through unexpected situations" was also an important cause of his victory.

The article attributes the cause of Kim Tae-chung's failure to the fact that he failed to attract broad, conservative middle-class and quasi-middle-class voters' interest with the "new DJ plan" which was aimed at bringing his moderate image, instead of his radical image, to the fore.

The article also points out the main cause of the DP's failure is that it "lost the means of attack on the Sixth Republic" because of the "neutral cabinet structure" and that it gave up the "strike by insisting on a local autonomy system" which had won considerable support from the public.

The article says that the UPP failed in the election mainly because it failed to get rid of the "money-led" image, its "born weakness." The article pointed out that the incident concerning the secret meeting of leaders of government organizations in Pusan was of no help to the UPP but instead resulted in its loss of many supporters.

HANGUK ILBO carries on page 3 of its 19 December a 1,500-word article by reporter Yi Yu-sik on the significance of the presidential election and expectations of the new government.

The article summarizes the political significance of the last presidential election: It has born the first civilian president in the ROK; established the legitimate basis of political power; and served as momentum for the removal of the "two-Kims structure" and for the change of generations.

Expecting that the next government will focus on making a place for the "new ROK" in the 21st century, the article stresses that for this, the president-elect should promote democratic reform, economic rehabilitation, and national reunification on the basis of national unity.

The article notes the possibility that the next government may face serious trials unless it successfully harmonizes the people's expectations for change and reform and interest of the class with vested rights. It also notes the possibility of a stir to be caused by continuously arguing over the fairness of the neutral cabinet, the conflict between the government and Hyundai and the UPP, and other adverse effects of the election.

The article concludes by hoping that all adverse effects of the election campaigning will be removed as soon as possible so that a "powerful and clean government" can be organized.

KYONGHYANG SINMUN, a moderate ROK vernacular daily, carries on page 2 of its 19 December issue a 1,700-word article by reporter Cho Pyong-chol on expected changes in ROK political circles following the election.

After a long analysis of the cause of the victory and failure of the three major parties in the election, the article foresees that the DP will suffer heavy strain and tensions due to its failure in the election and that Kim Tae-chung will inevitably face the "political responsibility" for the failure regardless of his resignation as president of the party. It is expected that a keen competition for the party's top position will be held among the younger generation in the DP.

Anticipating a serious crisis in the future of the UPP due to its failure in the election, the article expects a political reshuffle in the opposition parties.

The article says the cabinet led by Hyon Sung-chong will be highly assessed for its efforts to remain neutral in managing the election, and in conclusion notes that little adverse effects are expected following the election because of neither the DP nor the UPP contest the management or the results of the election.

Newspaper on Future of 'Losers'

SK2112052892

[Editorial Report] CHUNGANG ILBO in Korean on 19 December on page 5 carries a 1,600-word article entitled "18 December Presidential Election Losers' Future Course." The article predicts that "Kim Tae-chung is likely to retain his political influence after retreating from the frontline of party affairs and will return to politics under a plausible excuse when the appropriate time comes because he still has the greatest influence in the Democratic Party [DP], which has the Cholla Provinces as its foundation." The article adds that "most of the people predict that his tentative retreat and comeback drama will not be easy. The people who witnessed these same scenarios in the past will not tolerate it and regard this presidential election as 'The Last Showdown Between the Two Kims.'"

The article foresees the second possibility that "Kim Tae-chung's tentative retreat is surely to come. The DP will maintain for the time being a cochairmen system with Yi Ki-taek as the leader. This cochairmen system will be unstable but will go on as a transitional system until its March national congress because Yi Ki-taek's roots are not deep in the DP and he has left his home base—Pusan and South Kyongsang Province."

Noting that Chong Chu-yong never mentioned his course of action following his loss in the presidential election, the article says: "This indicates that he still has a strong desire to remain UPP party chairman and controlling the party." The article adds: "Judging from his character and way of doing business, it is impossible for him, after pumping 200 billion won into the party, to give up control."

The article foresees another possibility: "The party needs an additional 200 billion won to stabilize itself. If Chong Chu-yong holds onto the money pipeline, conflict over this will be somewhat serious. If the conflict is aggravated, key officials who joined the UPP right before the election will think their dream cannot come true and will become disunited." The article concludes: "If President-elect Kim Yong-sam starts recruiting the party's lawmakers, the party will be driven into the corner."

U.S. Statement on Election

SK1912010492 Seoul YONHAP in English 0024 GMT 19 Dec 92

[Text] Washington, Dec. 18 (YONHAP)—The United States welcomed the success of the Korean people in choosing a new president through a constitutional process and President George Bush has sent his congratulations to President-elect Kim Yong-sam, the White House said Saturday.

"We welcome the success of the Korean people in expressing their preference in a constitutional process which enables all concerned to support the winner through free and fair elections. The president has sent his personal congratulations and those of the American people to President-elect Kim Yong-sam," a statement said.

"We would like to take this opportunity to express our respect and admiration for the many accomplishments of President No (Tae-u). We wish President No well, and look forward to working closely with President-elect Kim Yong-sam," it said.

Bush Telephones Congratulations

SK2012064792 Seoul YONHAP in English 0521 GMT 20 Dec 92

[Text] Seoul, Dec. 20 (YONHAP)—South Korean President-elect Kim Yong-sam expressed Sunday his hope for the development of the mutual cooperation between Seoul and Washington in various fields including economy and security.

In a telephone call with the U.S. President George Bush, Kim promised to do his best for this purpose. Kim thanked Bush for his efforts for peace and stability in the Northeast Asia. "I will make efforts to cooperate with the U.S. President-elect Bill Clinton to improve the mutual relation," Kim said. He asked the U.S. President to keep on paying attention to the bilateral relation even after his retirement.

Bush offered his conglatulations to Kim and said that he is very proud of the close and cooperative relation between the two nations until now. He also expressed his desire that the bilateral relation will become closer as Clinton has a correct understanding of the importance of the Korea-U.S. relation.

Bush telephoned to Kim for his congratulations.

Meanwhile, Kim received a congratulatory telegram from the Russian President Boris Yeltsin. In a telegram, Yeltsin invited Kim to Moscow next year, saying that he expects the cooperative relation will improve based on the treaty signed by the two nations.

Yeltsin Invites Kim Yong-sam To Visit Moscow

SK2012034892 Seoul KBS-1 Radio Network in Korean 0300 GMT 20 Dec 92

[Text] Russian President Boris Yeltsin last night sent a congratulatory message to President-elect Kim Yong-sam and hoped that President-elect Kim Yong-sam will visit Russia some time next year.

President Yeltsin recalled his meeting of warm friendship with President-elect Kim Yong-sam in Seoul during his recent visit to the ROK, and said he officially invites President-elect Kim Yong-sam to visit Russia and is looking forward to the further development of friendly relations between the ROK and Russia.

No 'Official Comment' From PRC on Election

SK1912082192 Seoul YONHAP in English 0606 GMT 19 Dec 92

[Text] Beijing, Dec. 19 (YONHAP)—The Chinese Government, exercising extreme cautiousness, has not made any official comment on the result of presidential election in South Korea, one of its newest friends, although hours have passed since the majority party candidate was confirmed elected.

A Foreign Ministry official said that he could not comment on the election outcome because it was an "internal matter" of Korea, but expressed the hope that Kim Yong-sam's victory in the election would not affect the development of relations between China and South Korea. He said his government could announce its official position on the election later Saturday.

XINHUA, the state-run New China News Agency, shortly before the election, released an in-depth report on the election from Seoul and the English-language CHINA DAILY said in foreign news page Saturday that Kim Yong-sam was leading in the early stage of ballot counting.

PRC President Sends Message to Kim Yong-sam

SK2012233292 Seoul KBS-1 Radio Network in Korean 2200 GMT 20 Dec 92

[Text] Chinese State President Yang Shangkun sent a congratulatory message to President-elect Kim Yong-sam on 21 Dec, saying: He extends the warm greetings to President-elect Kim Yong-sam on his election. He wishes the ROK prosperity. He wishes the ROK people well.

In particular, he said that he is confident that because friendly relations between the ROK and the PRC are greatly beneficial to peace and stability in the Asian-Pacific region as well as in the rest of the world, friendly and cooperative relations between the two countries will be further developed in the future, too, under President-elect Kim Yong-sam's leadership.

Pyongyang Attempt To Hire Russian Scientists Foiled

SK2012070792 Seoul KBS-1 Radio Network in Korean 0200 GMT 20 Dec 92

[Report by ASSOCIATED PRESS and YONHAP from London]

[Text] According to the British SUNDAY TIMES, Russian security authorities on 8 December prevented the departure of an airplane heading from Moscow to North Korea with 36 Russian nuclear weapons specialists aboard. This paper quoted a Russian security authorities' source who said that all 36 nuclear weapon specialists were arrested. This paper reported that the Russian authorities' action was a dramatic measure to frustrate North Korea's ambition to development nuclear weapons.

The SUNDAY TIMES also reported that North Korean authorities hired these Russian scientists, who had worked for a Russian nuclear weapons research institute, at monthly salaries ranging from $1,500 to $3,000, to assist North Korean nuclear weapon development.

Plans To Recruit Nuclear Scientists

SK2112012692 Seoul YONHAP in English 0118 GMT 21 Dec 92

[Text] Moscow, Dec. 20 (YONHAP)—Russian intelligence agents have prevented 36 nuclear scientists from going to North Korea to work on the country's nuclear weapons program, TV Russia reported Sunday.

An urgent nightly news report Sunday said that agents from the Interior Security Ministry, the former KGB, recently caught the scientists at an airport near Moscow and barred them from leaving Russia. The scientists confessed that they had agreed to work for the North Koreans for 3,000 U.S. dollars a month, the report said.

It didn't give details of the areas of their expertise or their planned length of stay in North Korea, but claimed that North Korea, which has aroused international controversy for its nuclear development program and has a severe shortage of foreign currency, was trying to push ahead with the progam by recruiting foreign scientists. North Korea might develop a nuclear bomb in a year, the report said.

Russian President Boris Yeltsin stressed on a recent visit to South Korea that Russia had no intention of providing Pyongyang with any nuclear development technologies, but supported a non-nuclear Korean peninsula.

Hong Kong Paper Cited

SK2112070192 Seoul YONHAP in English 0653 GMT 21 Dec 92

[Text] Hong Kong, Dec. 21 (YONHAP)—The Russian Government has banned an estimated 3,000 nuclear scientists from leaving the country in an effort to stop them from helping foreign countries build nuclear weapons, the SOUTH CHINA MORNING POST reported Monday.

The paper quoted a high-ranking official in the Russian Interior Security Ministry as saying that in addition to stopping a plane bound for North Korea with 36 nuclear scientists aboard on Dec. 8, the government had foiled attempts by 64 scientists to leave the country to give technological assistance for nuclear missile delivery systems in October and November.

The official refused to say which country the scientists were bound for and how agents from a special investigative unit belonging to the former KGB stopped them.

Russia, the paper said, has been under an incessant pressure from Western countries to stem the exodus of nuclear scientists and an estimated 3,000 are under surveillance. However, there are several black markets specializing in helping such scientists wanting to make more money than at home to leave the country by providing them with passports and visas, the paper said.

The paper quoted a Russian nuclear scientist as saying that a number of his colleagues left the country every year without much difficulty, and some were now returning home as their contracts had expired.

Seoul To Normalize Ties With Vietnam 22 Dec

SK1912055192 Seoul YONHAP in English 0532 GMT 19 Dec 92

[Text] Seoul, Dec. 19 (YONHAP)—South Korea and Vietnam will normalize diplomatic relations on Dec. 22, when Foreign Minister Yi Sang-ok visits Hanoi, a diplomatic source said Saturday.

The two countries have held normalization talks since December last year and recently agreed on diplomatic normalization, the source, who refused to be identified, said.

Meanwhile, Korean Foreign Ministry spokesman Yu Myong-hwan said Saturday morning that Foreign Minister Yi Sang-ok would make an official visit to Vietnam Monday at the invitation of his Vietnamese counterpart. Yu said that Minister Yi would discuss ways of enhancing bilateral ties with Vietnamese leaders, including the president and prime minister.

The source said Yi would sign a joint statement on diplomatic normalization during his stay in Hanoi and upgrade liaison missions established in each other's capital in the past two months to embassies. Vietnam will be the 170th nation Korea will have diplomatic ties with. Korea had diplomatic relations with South Vietnam before it was communized in 1975, but had no full ties with Hanoi.

Korea's exports to Vietnam amounted to 334 million U.S. dollars in the first nine months of this year and investment in the country was 84.8 million dollars in 14 projects on an approval basis in January-September.

Vietnamese Defense Minister Delays ROK Visit

SK2112063892 Seoul YONHAP in English 0630 GMT 21 Dec 92

[Text] Seoul, Dec. 21 (OANA-YONHAP)—Vietnam's defense minister has indefinitely postponed a visit to North Korea scheduled for this month, apparently to allow a cooling-off period after Seoul-Hanoi diplomatic normalization on Tuesday, a Western diplomatic source said Monday.

Defense Minister Doan Khue, a conservative ranked fifth in the Vietnamese hierarchy, was to visit Pyongyang in a gesture to affirm the country's traditional ties with North Korea, according to the source. South Korean troops fought for South Vietnam during the Vietnam war, while North Korea assisted North Vietnam.

"Hanoi, despite improving relations with Seoul, believes in equidistant diplomacy toward South and North Korea, and wanted to show that it still wants to maintain close ties with Pyongyang by sending the high-ranking official," the source said on condition of anonymity.

South Korea and Vietnam severed ties in 1975, when the southern half of the Indochinese country was communized, but they are expected to restore full relations on Tuesday. South Korean Foreign Minister Yi Sang-ok is visiting Hanoi to sign a protocol on diplomatic normalization.

"Khue's visit was scheduled for mid-December, but Vietnamese officials decided to delay it considering the timing. But he is expected to go to Pyongyang as soon as the situation allows it," the source said.

Premier Criticizes Pyongyang for Canceled Talks

SK2112031592 Seoul YONHAP in English 0303 GMT 21 Dec 92

[Text] Seoul, Dec. 21 (YONHAP)—South Korean Prime Minister Hyon Sung-chong expressed his regret Monday over the cancellation of the ninth round of inter-Korean prime ministerial talks, slated for Monday to Thursday in Seoul, and urged Pyongyang to set a new date as soon as possible.

"You have ignored our repeated advice and eventually abrogated the mutually agreed meeting one-sidedly, which cannot be justified with any kind of reason," Hyon said in a telephone message to North Korean Prime Minister Kang Song-san.

"We cannot but continue with the Team Spirit training (a joint South Korean-U.S. military drill) for security reasons because North Korea is still suspected of nuclear development and openly continues to violate the Seoul-Pyongyang agreements," Hyon said.

He held Pyongyang responsible for a spy ring recently uncovered in South Korea and criticized it for breaching the basic and annex inter-Korean treaties.

Hyon also pointed out that North Korea had tried to taint the South Korean presidential election through propaganda and said: "Your (North Korean) reckless efforts to sway our (South Korean) free and democratic society through worn-out black rumors and agitation are only an outdated delusion and will never work."

North Proposes JNCC Meeting on 28 Dec

SK2112081092 Seoul YONHAP in English 0801 GMT 21 Dec 92

[Text] Seoul, Dec. 21 (OANA-YONHAP)—North Korea proposed Monday working-level nuclear talks Thursda and a full-dress meeting of the Joint Nuclear Control Commission (JNCC) Dec. 28.

Choe U-chin, Pyongyang-side JNCC chairman, in a message to his Seoul counterpart, Kong No-myong, proposed that working-level officials meet to discuss a simultaneous inspection regime on Thursday. The working-level contact should be followed by a meeting of the full commission on Dec. 28, the message said.

Seoul and Pyongyang have been talking for over nine months on simultaneous nuclear inspection but have failed to make any progress, mostly over North Korea's refusal to open up its military installations or accept surprise inspections. Recent talks were stalemated by Pyongyang's objection to Seoul's decision to resume its "Team Spirit" military exercises with Washington.

Seoul-side JNCC sources said that South Korea's position is it will agree to full JNCC talks only when working-level contacts have made substantial progress in settling details of the inspection regime. "North Korea keeps proposing meeting dates to try to delay South Korea's announcement of resuming the Team Spirit. But our position, and this position will not be changed, is that it is useless continuing with the full commission meeting unless the two sides settle on most of the details through working-level talks first," one official said.

Team Spirit is usually held in April and announced by Seoul and Washington in mid-January.

Burma

UN Investigator Barred From Meeting Suu Kyi

BK1712133392 Hong Kong AFP in English 1305 GMT 17 Dec 92

[Text] Bangkok, Dec 17 (AFP)—U.N. human rights rapporteur on Burma Yozo Yokota confirmed Thursday that the Burmese military government had denied him access to detained opposition leader Aung San Suu Kyi, and said the junta had given no reason.

Yokota, speaking on his arrival here from visiting Burmese refugees in Bangladesh, added however that his trip to Rangoon which ended Monday had been worthwhile.

"I was able to gather more information than if I hadn't made the visit," he told AFP.

Yokota declined to detail how the State Law and Order Restoration Council (SLORC) had responded to his repeated appeals to see Suu Kyi and other detained political leaders, saying the manner of the refusal would be contained in his report to be released late January.

Asked whether he had managed to see any political prisoners at all, Yokota said it depended on the definition of political prisoners, adding that those he did see would be listed in the report—"Some with names and some without."

He said he was shocked to learn Thursday that a transcript of his December 14 letter of protest to SLORC had been leaked to the press.

In the letter he complained that denial of access to any detained political leaders had made it "impossible" to carry out his mandate.

SLORC has held Suu Kyi, 47, under house arrest for the past three and a half years, and Wednesday her husband, Oxford don Michael Aris, said in a message to foreign journalists here he had not heard from her for three weeks.

Aris last month said he feared for Suu Kyi's health after her decision to refuse all material support from SLORC, which Yokota has accused in an earlier report of being responsible for widespread human rights violations.

"I am afraid it is beginning to look like a hunger strike," Aris said in that statement.

The New York Times Wednesday quoted a SLORC spokesman in Rangoon as saying the junta believed it could "put her on trial any time" although it would not do so for the time being.

The Times also quoted Burma's deputy military intelligence director, Kyaw Win, as denying the hunger strike reports. "She is not on a hunger strike, her health is good," he said.

Yokota, who will fly to Thai-Burmese border refugee camps Friday to complete gathering evidence on the human rights situation, said the timing of his report had "nothing to do with" a national convention in Burma on January 9.

SLORC has called the convention to draft a new constitution but opponents of the regime have condemned the exercise.

Delegation Returns From Singapore, Malaysia

BK1812142792 Rangoon Radio Burma in Burmese 1330 GMT 18 Dec 92

[Text] A Myanmar [Burmese] delegation led by Prime Minister's Office Minister Brigadier General Lun Maung arrived back in Yangon [Rangoon] today afternoon after a two-week tour of Singapore and Malaysia holding discussions and studying palm oil cultivation.

The delegation was welcomed at Yangon airport by Brigadier General Maung Maung, minister for livestock breeding and fisheries; U Khin Maung Thein, minister for energy; Malaysian Ambassador Mr. John Tenewi Nuek; departmental officials, and responsible personnel.

2,900 Rohingyas Repatriated Since 22 Aug

BK1812145592 Rangoon Radio Burma in Burmese 1330 GMT 18 Dec 92

[Text] In accordance with the agreement reached between the leaders of the two countries on the repatriation of those who illegally left Myanmar [Burma] for Bangladesh, two delegations led by officials from the camps on the other side of the country transferred 349 returnees—167 males, 182 females—from 85 households at our two reception centers on 17 December.

A total of 75 returnees—34 males, 41 females—from 19 households were brought by two boats and transferred to our Yinbyu reception center at 1015 by the Bangladeshi delegation led by Mr. (Nasir Rahman).

A total of 274 returnees—133 males, 141 females—from 66 households were brought by five boats and they were transferred to our Kayinchaung reception center by the Bangladeshi delegation led by Mr. (Manuha Hozin Akhan) and Mr. Abdul Latif to our Kayinchaung reception center at 1035.

The two Bangladeshi delegations left at 1120 on 17 December 1992. So far a total of 2,900 returnees—1,441 males, 1,459 females—from 653 households were repatriated since the repatriation began on 22 August 1992 till 17 December 1992.

Brunei, Malaysia & Singapore

Malaysia

Peacekeeping Force Moved, To Remain in Cambodia

BK1812135892 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 18 Dec 92

[Text] A company of Malaysian peacekeepers in Cambodia has been moved to a safer place after they came under heavy mortar fire last Wednesday. This was disclosed by Defense Minister Datuk Sri Najib Tun Razak. He reiterated that Malaysian troops serving with the United Nations Transitional Authority in Cambodia would not be recalled following the incident. The attack, which came from the Khmer Rouge-controlled territory, destroyed company's headquarters in Battambang. The situation was reported to be calm now, but the soldiers had been advised to be more cautious in discharging their duties. He told reporters this after attending the Malindo [Malaysia-Indonesia] dialogue in Kuching, Sarawak. Datuk Sri Najib said there had been no fresh attack on the Malaysian troops. Malaysia sent a battalion of rangers to Cambodia early this year.

Plutonium Ship Protested at Japanese Embassy

BK2112082892 Kuala Lumpur BERNAMA in English 0715 GMT 21 Dec 92

[Text] Kuala Lumpur, Dec 21 (OANA-BERNAMA)—Several non-governmental organisations (NGOs) and pressure groups Monday handed over a joint memorandum to the Japanese Embassy here protesting against the proliferation of plutonium.

The group, led by physician Dr. R.S. McCoy, handed the four-paragraph memorandum to the first secretary at the embassy, K. Umemoto. A police patrol car and several policemen were seen outside the embassy's main gate at the time.

McCoy said the memorandum was in response to the shipment of plutonium aboard the Japanese vessel, Akatsuki Maru, from France to Japan, and intended future shipments by Japan.

The protest was initiated by the Suara Rakyat Malaysia (Suaram) (People's Voice) and the Malaysian physicians for the preventation of nuclear war and the Enviromental Protection Society of Malaysia (EPSM).

Dr. McCoy claimed that 39 organisations in Malaysia endorsed the memorandum which expressed their concern over the dangers inherent in the passage of the Akatsuki Maru through the Straits of Melacca should the ship take such a route.

Malaysia, Indonesia, and Singapore had voiced their objection to the Japanese ship using the busy and narrow waterway but the embassy had indicated that the Akatsuki Maru would not be sailing through the straits but take a route far from inhabited areas.

Singapore

Goh Chok Tong Receives 'Resounding Endorsement'

BK2012001092 Hong Kong AFP in English 1632 GMT 19 Dec 92

[Text] Singapore, Dec 19 (AFP)—Singapore Prime Minister Goh Chok Tong was reelected to parliament Saturday by a huge majority in a by-election called to bring new talent into his two-year-old government.

The ruling People's Action Party's (PAP) four-member slate led by Goh polled 48,965 votes, more than 72 percent of ballots cast in the largely middle-class Marine Parade Ward, a traditional government stronghold.

Their nearest rivals from the Singapore Democratic Party polled 16,447 votes, according to official returns.

The PAP slate included former navy chief Teo Chee Hean, 37, the first of several new faces whom Goh has said will be groomed as Singapore's next generation of political leaders.

During the nine-day campaign, Goh said he was giving priority to renewing PAP ranks after the disclosure last month that both his deputies, Lee Hsien Loong and Ong Teng Cheong, were suffering from cancer.

Goh, speaking after the result was announced, said the outcome represented "resounding endorsement" for his government's policies and his personal leadership.

The prime minister had urged voters to give him a huge majority to ensure no erosion in foreign investors confidence in Singapore.

Goh has said the by-election could be the forerunner of more such polls to allow the PAP, which has ruled Singapore for more than three decades, to inject new talent into its ranks.

'Landslide' Win Consolidates Position

BK2012033292 Hong Kong AFP in English 0233 GMT 20 Dec 92

[By Mervin Nambiar]

[Text] Singapore, Dec 20 (AFP)—Prime Minister Goh Chok Tong has emerged from the shadow of his illustrious predecessor, Lee Kuan Yew, with a stunning weekend by-election win debunking opposition claims that his People's Action Party's (PAP) fortunes are on the wane, analysts said Sunday.

"I asked for your solid support. You have given me your resounding endorsement for the policies of my government and my leadership," Goh, who succeeded Lee two years ago, told cheering supporters shortly before midnight Saturday.

Goh spoke after official returns showed that the PAP's four-member slate led by Goh, who promised to quit the premiership if he lost, had garnered 73 percent of valid votes cast in the largely middle-class Marine Parade Ward.

The Singapore Democratic Party (SDP), campaigning for recognition as the sole alternative to the PAP which has ruled Singapore for more than three decades, polled 24.5 percent, while two smaller parties made virtually no impact.

Analysts said the landslide win would consolidate Goh's position as PAP secretary-general. Singapore patriach Lee, 69, who continues to wield considerable influence in government had remained at the party helm until early this month when Goh took over.

"He is now coming into his own as Singapore's undisputed new leader," said a long-time observer of Singapore politics, adding that this was important because while Goh had inherited the mantle of leadership he could not until now claim full public endorsement.

Goh had suffered a setback in August last year when the opposition took four seats in the 81-member parliament in his first general election as premier and the PAP's share of the popular vote slumped to 61 percent, an all-time low.

The opposition's relatively strong showing at the last general election helped fuel its claim that the PAP had become elitist and unable to relate to ordinary Singaporeans hurt by rising costs of health care and education.

Analysts said Goh displayed some of his new-found confidence, telling reporters after the poll that Lee had been "inaccurate or maybe even unfair" to say that a former colleague, Tony Tan, left the cabinet because he needed money to see his son through Harvard University in the United States.

Goh said Tan, whom Lee had once described as his first choice as successor, left to join a local bank because Tan felt that his contribution as education minister "has reached its peak ... so he thought this is the right time to leave."

Goh said he had no immediate plans to reappoint Tan to his cabinet although Lee, now a senior minister, had announced that the former education minister would rejoin the government after meeting obligations to his bank and family.

Tan was widely expected to rejoin the cabinet after the shock disclosure last month that Goh's two deputies, Lee Hsien Loong, Lee's elder son and Ong Teng Cheong, were both suffering from cancer.

Goh had named the 40-year-old younger Lee, a scholar and former Army general, as his obvious successor.

The prime minister said that while Lee Hsien Loong's illness posed a long-term question mark it had not triggered an immedate leadership crisis.

"We think long-term. My message is to get able people to join us so that there will always be people ready to take over from us," he said.

The PAP's four-member slate in the by-election included former Navy chief Teo Chee Hean, 37.

Goh had called the by-election partly to enable Teo to join his cabinet as part of the grooming process for a new generation of Singapore leaders.

Goh Comments on Victory

BK2012141892 Singapore Singapore Broadcasting Corporation in English 1400 GMT 20 Dec 92

[Text] The prime minister, Mr. Goh Chok Tong, has described his victory in the Marine Parade by-election as a victory for Singapore. He said it was an opportunity to rally all Singaporeans behind the PAP [People's Action Party] to meet challenges in the future. Mr. Goh said the results reflected the sound judgment of the voters. Mr. Goh said he wants to invite in particular younger Singaporeans to join the PAP or support the party. He wants to invite them to help them shape the future.

Mr. Goh said from now on he will be working in this direction. He and his colleagues will discharge the responsibilities to Singapore and to the residents of Marine Parade. The prime minister stressed that by governing Singapore seriously and for the good of the country, the people will (?vote) for the government again and again. He and his colleagues will do their level best to improve the quality of life in Singapore in all segments of society vigorously in the next four years.

New State Minister for Finance Sworn In 21 Dec

BK2112114692 Singapore Singapore Broadcasting Corporation in English 1100 GMT 21 Dec 92

[Text] The newly elected member of parliament for Marine Parade GRC [Group Representative Constituency], Commodore Teo Chee Hean, has been appointed a minister of state for finance and communications. A statement from the Prime Minister's Office said he was sworn in by President Wee Kim Wee this afternoon.

Commodore Teo said he had resigned as the chief of Navy to contest in the Marine Parade GRC by-election. The president said the [words indistinct].

Cambodia

Khmer Rouge Nab 8 Uruguayan Peacekeepers

BK1920060292 Hong Kong AFP in English 0551 GMT 19 Dec 92

[Text] Phnom Penh, Dec 19 (AFP)—Khmer Rouge guerrillas took eight Uruguayan peacekeepers captive and cut off their radio contact with United Nations headquarters in the third such captive-taking this week, a U.N. spokesman said Saturday.

Also detained were three Russian pilots contracted privately to fly U.N. helicopters, and a Cambodian interpreter.

The 12 had flown by helicopter to a site along the Mekong River in eastern Cambodia to meet Khmer Rouge officials in a pre-arranged meeting Friday, spokesman Eric Falt said.

The men spoke to U.N. headquarters at 6 p.m. (1100 GMT) on Friday and said the guerrillas would no longer let them communicate by radio.

"The last contact we had indicated everyone was okay," Falt said. "We are trying to secure their release. First we have to locate them."

A C-160 transport plane flying over the area in Kratie Province at 8 a.m. Saturday made visual contact with the helicopter but did not spot the Uruguayans.

Guerrillas Said Ready To Kill UN Hostages

BK1912094892 Hong Kong AFP in English 0939 GMT 19 Dec 92

[Text] Phnom Penh, Dec 19 (AFP)—Khmer Rouge guerrillas holding United Nations peacekeepers hostage in eastern Cambodia released three captives Saturday with a warning that the remaining nine would be killed unless senior faction officers intervene, a UN spokesman said.

The two Russian helicopter pilots and a Uruguayan peacekeeper were let go at some point along the Mekong River, where they made radio contact with UN headquarters, spokesman Eric Falt said.

The message they carried states that unless the Khmer Rouge representative in Phnom Penh "issues an order for their release, the nine men will be killed," he said.

The representative did not immediately assure the United Nations that he would give that order, Falt said.

"At this stage it is fair to say this was a carefully constructed trap and we are seeking the (faction's) cooperation in finding what level of their heirarchy is responsible for this," he said.

Khmer Rouge Warn Against Rescue Attempt

BK1912131192 Hong Kong AFP in English 1303 GMT 19 Dec 92

[All quotation marks as received]

[Text] Phnom Penh, Dec 19 (AFP)—A letter from a Khmer Rouge commander holding nine peacekeepers hostage along the Mekong River in eastern Cambodia threatens to kill them if the United Nations tries to rescue them, a U.N. spokesman said Saturday.

The letter said the U.N. helicopter had landed illegally in a Khmer Rouge-controlled zone and that the guerrillas intended to destroy it and kill the peacekeepers unless Khmer Rouge senior officers intervene, spokesman Eric Falt said.

A U.N. translation of the letter reads, in part, as follows: "The UNTAC helicopter was flown against the law and landed in a zone which the NADK [National Army of Democratic Kampuchea] holds without having permission from the four factions.

The commander said he had "achieved the capture, making hostages here."

It asked Khmer Rouge senior officials Khieu Samphan and General Nuon Bunno to please come and take them away by peaceful means."

"Please note that in this time of detention, if events including the use of force, to come and violate by means of air or on foot, we have the right to destroy the aircraft and to do away with all the hostages," it concluded. "Please make contact before coming."

The letter was delivered by three of an original 12 U.N. hostages who were released along the banks of the Mekong River and made their way by canoe to their base in the provincial capital of Kratie.

Falt backed away from an earlier statement calling the incident "a trap," saying that the helicopter had landed unexpectedly in a village where the peacekeepers were hoping to find a Khmer Rouge general they had made an appointment to meet.

When they landed at the appointed area, they were told the Khmer Rouge general was elsewhere, so they flew unannounced to another village to find him, Falt said.

Sihanouk Demands Release of Hostages

BK2012051892 Hong Kong AFP in English 0500 GMT 20 Dec 92

[Text] Beijing, Dec 20 (AFP)—Cambodian Supreme National Council Chairman Prince Norodom Sihanouk demanded Sunday that the Khmer Rouge release nine U.N. peacekeepers held hostage and threatened with execution.

"I feel obligated to send you this message to ask you to do all you can so that the lives of members of the United Nations Transitional Authority in Cambodia [UNTAC] are fully respected and that the detained members of UNTAC are freed," he said in a letter from Beijing to nominal Khmer Rouge head Khieu Samphan.

The letter from the prince, who is in Beijing for treatment of a serious ailment, followed the taking Friday of 12 U.N. peacekeepers by the Marxist guerrilla faction.

Three were later released, but nine—seven Uruguayan troops, a Russian helicopter pilot and a Cambodian interpreter—were still being held Sunday in a Khmer Rouge-controlled area along the Mekong River.

The guerrilla faction has threatened to kill them if a rescue is attempted, the U.N. has said.

Releasing the peacekeepers, Sihanouk wrote, "is in the overriding interest of our country ... and for the sake of honour it is absolutely necessary to respect the lives of the UNTAC members and to stop detaining them."

KR, UN Officials Seek Release of Hostages

BK2012053092 Hong Kong AFP in English 0515 GMT 20 Dec 92

[Text] Phnom Penh, Dec 20 (AFP)—A senior Khmer Rouge representative and U.N. officials flew to eastern Cambodia on Sunday in an attempt to free Uruguayan and Russian peacekeepers being held hostage, a U.N. spokesman said.

The Khmer Rouge guerrillas had threatened in a letter Saturday to kill their captives if the United Nations attempted their rescue, and had asked the Khmer Rouge official, General Nuon Bunno, to come and take them away peacefully.

"His travelling there is certainly a positive sign," spokesman Eric Falt said. "We are confident that with the help of the (Khmer Rouge) authorities we will be able to secure the release of the peacekeepers."

The United Nations revised upward to 11 the number of peacekeepers being held—nine Uruguayans, a Russian military officer and a Russian civilian helicopter pilot—in a Khmer Rouge controlled zone along the Mekong River.

An interpreter previously thought to be a Cambodian was in fact a Uruguayan, spokesman Eric Falt said.

Bunno and the U.N. officials were travelling by helicopter.

Khmer Rouge Accuse UN Hostages of 'Provocation'

BK2012054092 Hong Kong AFP in English 0522 GMT 20 Dec 92

[Text] Phnom Penh, Dec 20 (AFP)—The Khmer Rouge accused the United Nations of provocation Sunday, and said they would not be responsible for the safety of U.N. peacekeepers if they continue to penetrate Khmer Rouge zones.

Calling the United Nations' version of four hostage takings this month "propaganda aimed at turning public opinion" against the Khmer Rouge in order to force the U.N. Security Council to "impose erroneous sanctions," the faction said in a statement that U.N. peacekeepers were acting as "provocateurs."

The U.N. Transitional Authority in Cambodia (UNTAC), "acting in league with Vietnam and its (Phnom Penh government) puppets, wants to trick" the Khmer Rouge into laying down arms, "therefore putting the nation and people of Cambodia in peril."

The statement reiterated that the Khmer Rouge were ready to join a peace plan ending Cambodia's civil war and being implemented by UNTAC, as soon as it is applied according to their interpretation.

"In the current conditions where the Vietnamese forces and those of their puppet regime are continuing their dry-season military operations, UNTAC assumes entire responsibility for entering (our) zones without prior authorization," the statement said.

In the case of Uruguayan peacekeepers taken hostage Friday with their helicopter in eastern Cambodia, the Khmer Rouge called it a provocation.

"Now they have deliberately created a new incident sending a U.N. helicopter to a heavily forested, isolated region without informing (us)," the statement said.

"Nothing justifies the landing of a U.N. helicopter (there). The reality is there is bad political intention aimed at provoking gunfire at the helicopter and blaming the incident," on the Khmer Rouge, the statement said.

The United Nations said a meeting with a Khmer Rouge general had been pre-planned, but when the peacekeepers arrived at the meeting site, they were told to go elsewhere and followed.

In another statement, a copy of a letter addressed to Prince Norodom Sihanouk, the Khmer Rouge denied threatening the peacekeepers with death.

"We have already given the order ... to release the UNTAC members still held. No threat was made against the members of UNTAC," according to the letter signed by Khmer Rouge nominal leader Khieu Samphan.

"I ask you not to worry about this matter," it concluded.

Khmer Rouge Release 11 UN Peacekeepers

BK2012104892 Hong Kong AFP in English 1046 GMT 20 Dec 92

[Text] Phnom Penh, Dec 20 (AFP)—Khmer Rouge guerrillas released Sunday 11 Uruguayan and Russian peacekeepers being held hostage in heavily-mined eastern Cambodia, a UN spokesman said.

Two helicopters carrying the men arrived safely in the provincial capital of Kratie at 5:10 p.m. (1010 GMT), spokesman Eric Falt said.

"They're all safe. They're all okay," he said.

The peacekeepers were released after a day of negotiations conducted by Khmer Rouge General Nuon Bunno, who was flown to the site in a UN helicopter, Falt said.

Their release was unconditional, he said.

UN Resolute on Forays Into Khmer Rouge Zones

BK2112082292 Hong Kong AFP in English 0809 GMT 21 Dec 92

[Text] Phnom Penh, Dec 21 (AFP)—The United Nations said Monday it would continue undaunted its forays into Khmer Rouge zones despite an implicit warning from the radical faction that U.N. peacekeepers risk more abductions and their own safety if they trespass.

"We are here to monitor the ceasefire," U.N. spokesman Eric Falt said. "We have been doing so for a while, going to all areas of Cambodia to monitor troop movements. Again, it's not going to stop."

Following four hostage or captive-taking incidents this month, the radical guerrilla group warned the U.N. Transitional Authority in Cambodia (UNTAC) that peacekeepers entering Khmer Rouge zones are taking their safety into their own hands.

"In the current conditions where the Vietnamese forces and those of their puppet regime are continuing their dry-season military operations, UNTAC assumes entire responsibility for entering (our) zones without prior authorization," according to a Khmer Rouge statement released Sunday.

The guerrilla faction insists against all the evidence available that Vietnamese troops are still active in Cambodia in support of the Phnom Penh government and is making their departure one of the conditions for it rejoining the peace process.

A senior Cambodian military source close to the Khmer Rouge in central Cambodia has told AFP that the high command of the Marxist faction had issued an order to capture any peacekeepers who enter Khmer Rouge zones without authorization.

If UNTAC does not heed the warning, peacekeepers likely will be killed, he predicted.

Eleven Uruguayan and Russian peacekeepers were freed Sunday from a heavily mined area along the Mekong River, where they and their helicopter were taken hostage by Khmer Rouge guerrillas.

The guerrillas said the U.N. helicopter was not authorized to land in their zone, and threatened to destroy it and kill their captives if UNTAC attempted to free them.

A senior Khmer Rouge official, General Nuon Bunno flew to the scene in another U.N. helicopter to secure their release, Falt said.

No details have been given about their conditions of detention, only that they were in good health and had not been injured in any way.

Falt said the hostages had been given back their weapons, which were taken away during their capture.

In a letter sent from Beijing to Khmer Rouge nominal leader Khieu Samphan, Prince Norodom Sihanouk asked that the higher interests of Cambodia necessitate that the Khmer Rouge "absolutely respect the lives of UNTAC members and stop capturing them."

"If you don't want them entering into the zones you control, please invite them to keep away from these areas, the prince, chairman of the multi-party Supreme National Council, said. "If they enter them, please ask them to leave."

Meanwhile, Falt reported new attacks on parties opposing the Phnom Penh regime that appeared to have political motives.

On Thursday night, outside of Phnom Penh, a deputy chief of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party was ambushed outside his house and shot to death by unknown gunmen carrying AK-47s, Falt said.

"An initial investigation showed he had just arrived home and was just about to park his motorbike when he was attacked," he said.

A hand grenade was also found at the scene. U.N. peacekeepers from Bulgaria who were nearby were not able to apprehend the suspects, Falt said.

The following day, the southern port of Sihanoukville, the chief of security for the Buddhist Liberal Democratic Party of former prime minister Son Sann had a grenade thrown at him, the U.N. spokesman said.

Chea Sokhan had just closed the door to his house when the bomb exploded, blowing up the door and a wall, Falt said.

UNTAC is considering measures to halt such attacks, he said without giving details.

Hun Sen Agrees to FUNCINPEC Member on SNC

BK2112100692 Hong Kong AFP in English 0938 GMT 21 Dec 92

[Text] Phnom Penh, Dec 21 (AFP)—The Phnom Penh government has agreed to allow another member of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the royalist party loyal to Prince Sihanouk, to sit on the Supreme National Council (SNC), according to a letter seen Monday.

The letter, from Phnom Penh Prime Minister Hun Sen to the prince, the SNC chairman, said he agreed to have another FUNCINPEC representative join the SNC.

The SNC groups all four of Cambodia's warring factions under U.N. supervision in an attempt to end the country's civil war. Its composition was the subject of years of debate before the peace accords were signed in October 1991.

The prince, originally one of the two FUNCINPEC representatives, resigned to become the neutral chairman, leaving only his son, Prince Norodom Ranariddh. The Khmer Rouge and Khmer People's National Liberation Front (KPNLF), headed by former prime minister Son Sann, each have two members.

The Phnom Penh government has six, but rarely do all of its members attend since decisions are taken by consensus.

Prince Ranariddh and Prince Sihanouk both have missed the last two scheduled meetings, leaving FUNCINPEC without any representation. Presumably, the entire SNC would have to vote on whether to allow another member.

The positions of the Khmer Rouge, KPNLF and United Nations were not immediately known.

Khmer Rouge Communique on UN 'Intrusions'

BK2112113192 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 0800 GMT 21 Dec 92

["Communique of the Party of Democratic Kampuchea and the National Army of Democratic Kampuchea concerning repeated intrusions into Democratic Kampuchea-controlled zone by UNTAC personnel"; dated 20 December, place not given—read by announcer]

[Text] I. The representative of UNTAC [UN Transitional Authority in Cambodia] at the UNTAC Secretariat in the Mixed Military Working Group [MMWG] has informed the Party of Democratic Kampuchea [PDK] in Phnom Penh that on 18 December 1992 the National Army of Democratic Kampuchea [NADK] held a number of UNTAC personnel in a helicopter which landed at Stoeng Tro village in Prek Prasap District of Kratie Province. Meanwhile, some foreign radios carried distorted reports on 19 December about this matter.

II. We would like to point out that such incidents occur almost daily. This does not happen because Democratic Kampuchea [DK] captures or holds UNTAC personnel in zones controlled by the Phnom Penh faction or in UNTAC areas.

The first, second, and third incidents successively took place in the same way. This has happened because UNTAC personnel entered DK- controlled zones without prior notice to the DK. Moreover, exaggerated reports were made saying that the PDK arrested 14 and then 46 UNTAC personnel of Indonesian nationality. In fact, Indonesian troops stationed in that area have had good relations with the Cambodian people and the NADK throughout 1992.

This is an attempt to deceive world opinion, particularly the opinions of those who are far away and do not know or understand the real situation. Moreover, this has been perpetrated so psychological propaganda can be produced and a misleading report sent to the far- away United Nations so measures can be taken later against the DK.

Concerning the landing of the helicopter at Stoeng Tro village in Prey Prasap District of Kratie Province, it is absolutely unjustifiable because this is a plateau, heavily forested, and an isolated area. Why did the UNTAC personnel fly in a helicopter to that area? The truth is that they had bad political intentions—that is, to send a helicopter to the DK zone to provoke, incite, and draw misguided gunfire, and then make up a story to accuse and put the blame on the DK so world opinion will oppose the DK and the UN Security Council will take measures against the DK.

III. In such a situation, the PDK and NADK would like to clearly emphasize their stance as follows: What happened along Stoeng Sen in Kompong Thom Province on 1 December 1992, at O Sala village northeast of Kompong Thom town on 15 December, and the propaganda saying that the NADK arrested and held 15 and 46 Indonesian soldiers are all part of the above-mentioned dark scheme. And now there is this provocation: An UNTAC helicopter landed in a forested and isolated area in Prey Prasap Leu District without a word of notice to the DK. This is also part of this dark scheme.

Now the PDK and the NADK would like to give clear notice in advance to national and international opinion and to the UN secretary general that these incidents are part of a premeditated plan to incite and provoke further incidents and use this as a pretext to accuse the DK. Therefore, the PDK and NADK would like to ask Akashi and General Sanderson to definitively put an end to this matter and be fully and entirely responsible for everything caused by UNTAC leaders' instigative plans.

We would like to stress and remind people that the PDK and the NADK will immediately and automatically enter the second phase of the cease-fire as soon as UNTAC implements the 23 October 1991 Paris agreement comprehensively, correctly, and meticulously, particularly the clause concerning the role and sufficient rights and power of the Supreme National Council [SNC] to carry out its tasks as the legitimate and sole source of power in Cambodia during the transitional period; the clause on UNTAC-SNC cooperation to verify that all types of Vietnamese forces are withdrawn from Cambodia; and the clause on UNTAC-SNC cooperation in controlling the five ministries.

This is in order to create necessary conditions for cantoning and demobilizing 70 percent of all four Cambodian parties' troops. However, over the past year

UNTAC has not implemented the 23 October 1991 Paris agreement; UNTAC has not correctly implemented the agreement to enter the second phase. In other words:

A. UNTAC has not allowed the SNC to have any role;

B. UNTAC has not verified the Vietnamese in Cambodia at all and kept saying that there are no Vietnamese;

C. UNTAC has not controlled the five ministries.

On this matter, the unanimous and general opinion of the Cambodian nation, people, and the Cambodian national resistance forces has already been clearly stated. This includes statements by His Royal Highness Prince Norodom Sihanouk, head of state and SNC chairman; the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party; the Khmer People's National Liberation Front; and the DK. Even many people within UNTAC see it this way too.

This means that only when UNTAC implements all the above major points can the second phase begin. However, to this day UNTAC has not implemented these clauses. It is UNTAC itself—not the DK—that has not implemented the agreement and begun the second phase. UNTAC has colluded with Vietnam and Vietnam's puppets in an attempt to deceive and dupe the DK into entering cantonment sites in order to tie the DK's hands and feet, cut the DK's throat, and then kill the Cambodian nation and people.

In a situation in which UNTAC, Vietnam, and Vietnam's puppets have not entered the cease-fire's second phase, the PDK and the NADK would like to stress that if UNTAC wants to go into DK zones, please discuss and talk about it at the MMWG in Phnom Penh and at places where the four-party and DK military officers are stationed with UNTAC.

On this matter, UNTAC and the four parties have officially agreed at the MMWG and with General Sanderson that the four Cambodian parties are represented at the points agreed upon. DK military officers used to be stationed in Kompong Thom; now this is no longer the case. As for Stung Treng, Kampot, Kompong Som, and along waterways—which were decided upon nearly a year ago—the presence of DK military officers is not allowed at all. DK military officers are also not allowed to be stationed in Kratie.

The PDK and NADK would like to emphasize that in the future if UNTAC leaders have plans to violate and enter DK zones without prior discussion with the DK, then the DK will consider that this is completely and entirely wrong. This is against the 23 October 1991 Paris agreement and against the working procedure of the MMWG in Phnom Penh. More importantly, this is a policy to violate, incite, and provoke incidents in order to accuse the DK. The PDK and the NADK would like to stress that if UNTAC behaves like this at a time when the Vietnamese aggressors and puppets are launching dry season offensives, UNTAC itself will in the future be fully and entirely responsible.

[Issued] 20 December 1992

[Signed] Khieu Samphan, chairman of the PDK and SNC member; Son Sen, vice chairman of the PDK, commander-in chief of the NADK, and SNC member.

Indonesia

MP Criticizes UN Report on KR Detentions

BK1912104292 Jakarta ANTARA in English 0909 GMT 19 Dec 92

[Text] Jakarta, Dec 19 (ANTARA)—[The] spokesman of the United Nations Transitional Authority in Cambodia (UNTAC) should be very careful in providing information, an MP [member of parliament] said here Saturday when criticizing UNTAC announcement that 46 Indonesian peacekeepers were recently held overnight in Central Cambodia.

Such an announcement by UNTAC Spokesman Eric Falt would only ruin Indonesia's reputation as a capable peacekeeping force in Cambodia prior to the May UN-sponsored general elections, Cokong Tarigan Sibero of the House's Foreign, Defense, and Information Commission said .

"The announcement contradicted the real situation," Sibero said adding that Indonesian peacekeepers had always been known to be the ones with the ability to maintain a close contact with the Democratic Cambodia (Khmer Rouge) [KR], one of the four conflicting factions in the Indochinese country.

Indonesian troops are very experienced in territorial operations, making them successful in winning the heart and mind of the Khmer Rouge, he said.

Such operations, he said, have been proven to be very successful when Indonesian troops managed to free other UNTAC peacekeepers held as hostages by Khmer Rouge earlier this month.

Saying Falt made a gross mistake for announcing that 46 Indonesians were held overnight by Khmer Rouge, Sibero reiterated that the truth was that they (the Indonesians) spent a night in O Sala, a Central Cambodian hamlet, on purpose as it was too late to continue their journey. He expressed the hope that such a mistake would not take place again.

Commenting on Portugal insistence to include the representatives of East Timor in the Indonesia-Portugal dialogue over the issue of the former Portuguese colony, he desribed it as something irrelevant.

"It is obvious that what Lisbon means by the East Timor representatives are a small number of East Timorese having lived abroad for years," Sibero said.

Saying that he shared Foreign Minister Ali Alatas' opinion that Lisbon's demand was unrealistic and irrational, he stressed that "a small number of East Timorese who have resided abroad for years would not be very well-informed about the latest developments in the now 27th province of Indonesia."

He further said that only the East Timorese in East Timor could be termed the East Timor representatives.

East Timor, before its integration with Indonesia in 1976 through a self-determination process, was a Portuguese colony for over 400 years.

Jakarta has always maintained its position that Portugal abandoned East Timor a year earlier after the overthrow of the authoritarian regime in Lisbon.

Lisbon, on the other hand, has always demanded for a referendum in the province which occupies the eastern half of the Timor Island.

Both Indonesia and Portugal have agreed to continue their dialogue over the differences on April 20, 1993 in Rome, Italy, under the auspices of UN Secretary General Butrus Butrus Ghali.

The last dialogue took place on 17 December in New York also with the sponsorship of the UN secretary general.

Earthquake Hits Banda Sea; No Damage Reported

BK2112063092 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 21 Dec 92

[Text] A tectonic earthquake, registering 5.7 on the Richter scale, occurred in Banda Sea about 430 km southeast of Ambon, Maluku. The news we received this morning from the Meteorological and Geophysics Board in Jakarta stated that the tectonic earthquake occured at 0352 West Indonesia time [1652 GMT] this morning. The epicenter was at 6.7 degrees south and 130.67 degrees east of the Banda Sea.

Meanwhile, the Australian media, ABC [Australian Broadcasting Corporation] reported that the earthquake in the Indonesian waters had shaken several regions in north Australia but up till news time, there were no reports of deaths or damage caused by the earthquake.

Containers of 'Dangerous' Waste Found in Port

BK2012090492 Jakarta KOMPAS in Indonesian 26 Nov 92 p 2

[Excerpts] Jakarta, KOMPAS—Several containers out of the 114 shipped from Singapore port which have successively entered the Tanjung Priok Port's Container Terminal since September have been found to contain dangerous and poisonous industrial waste. The total weight of the industrial waste in the containers amounts to about 1,200 tons. These containers are also considered to be ownerless because those who have imported them into the country have refused to collect them.

The discovery of the dangerous substance was made during an unannounced inspection tour of the Tanjung Priok Port's Container Terminal by Attorney General Singgih, Junior Minister of Finance Nasrudin Sumintapura, Director General of Customs Suharjo, and Director General of Sea Communications Suntoro on 25 November. Attorney General Singgih also believes the containers with the dangerous industrial waste must have been deliberately imported. They have been seized by the authorities because the owners refuse to collect them. "Will the importers of these containers face an investigation in view of the fact that they contain dangerous substances which may threaten our environment?" asked a KOMPAS correspondent.

"We are still studying the matter. If they were deliberately imported to break the laws, the importers will face the consequences," Singgih said. [passage omitted]

According to the records compiled by Tanjung Priok Port's customs authorities, the containers have entered the port through three customs checkpoints since last September. At least 16 ships carried the containers from Singapore. "Our records show that some of the industrial waste originated from the Netherlands and Germany. Not all of them were from Singapore even though they were shipped from Singapore Port," said a customs officer. [passage omitted]

Laos

Chaleun Yiapaoheu Briefs Press on Election

BK2012031992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Dec 92

[Excerpts] This afternoon at the National Assembly meeting hall in Vientiane, the National-Level Election Committee [NEC] held a press briefing attended by a large number of local and foreign reporters. At the briefing, Chaleun Yiapaoheu, NEC standing member, informed the press about the significance of the election of members of the third National Assembly, which will be held tomorrow. He said:

As you know, in implemention of Decree No. 63 issued by the president of the Lao People's Democratic Republic [LPDR] on 16 January 1992 designating 20 December 1992 as national election day, tomorrow all multiethnic Lao eligible voters will cast their ballots to elect preferred candidates to be members of the third National Assembly. We regard this as an important event in the political life of the multiethnic Lao people of all strata. This is because tomorrow the multiethnic Lao people will exercise their democratic rights in accordance with the first Constitution of the LPDR as well as the principle stipulated in Article 1 of the Election Law of Members of the National Assembly; that is to elect house members in accordance with the general principle of equality, direct participation, and secret balloting. [passage omitted]

The third National Assembly, which will be formulated in the immediate future, will act as a house which carries out normal duties as a legislative body as stipulated in Chapter IV of the LPDR Constitution.

Now I would like to inform you of some prominent features of this election:

The total Lao population at present stands at 4,168,595. Compared with the second election in 1989, the population has increased by 14.53 percent. Out of the current population, 1,989,425 are eligible voters, an increase of 13.36 percent compared with the second election in 1989. The designation of the constituencies has been done in accordance with Article 13 of the Election Law of Members of the National Assembly, which stipulates: In electing members of the National Assembly in the LPDR, the province and city municipality are regarded as election zones.

As of today, 4,970 election units throughout the country are ready to carry out voting tomorrow. [passage omitted]

The total number of candidates in the election of members of the third National Assembly is 154. Of these, 85 will be elected. Of the 154 candidates, 34, or 22.07 percent, are from various services attached to the government; 109, or 77.93 percent, are from many localities. Sixteen of them, or 10.38 precent, are women. The ethnic composition of the candidates is as follows: 108 Lao Loum—70.12 percent, 22 Lao Theung—18.83 percent, and 17 Lao Soung—11.64 percent. Sixty-three, or 40.90 percent, are intellectuals; and seven, or 7.54 percent, are businessmen. Four of the candidates have applied to run in the election on their own account, together with one candidate representing overseas Lao residents. [passage omitted]

Radio Reports Voting; Nouhak Interviewed

BK2112023092 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Dec 92

[Text] Yesterday, 20 December 1992, was the election day for the third National Assembly. More than 1.9 million multiethnic Lao people of all strata, from 18 years of age and above, turned out at 4,970 polling stations in 18 constituencies nationwide to elect their representatives to the third National Assembly. This is the implementation of the constitution of the Lao People's Democratic Republic [LPDR] and the various fundamental principles as stipulated in Article 1 of the Law on Election of Members of the National Assembly, namely the general principle of equality, direct participation, and secret ballot.

In the election, eligible voters exercised their rights through secret ballot to elect 85 out of 154 candidates to be members of the third National Assembly. In Vientiane municipality, there were more than 230,000 eligible voters. They cast their secret ballots at 731 polling stations to elect 11 out of 19 candidates to the third National Assembly.

According to an initial report, more than 1 million eligible voters nationwide turned out to vote. In Vientiane municipality, almost 100 percent of the eligible voters cast their votes. Our party and state leaders were among the eligible voters in Vientiane municipality. Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister of the LPDR, joined with some 1,150 other eligible voters in exercising their rights at a polling station in Saisettha District. Meanwhile, Nouhak Phoumsavan, Political Bureau member of the Party Central Committee and president of the LPDR, together with some 768 other eligible voters, cast his vote at the polling station no. 17 at Nong Kha village; Phoumi Vongvichit, adviser to the Party Central Committee, cast his vote at polling station No. 16 at Tha Phalansai village in Sisattanak District; Khamphoui Keoboualapha, Political Bureau member of the Party Central Committee, deputy prime minister, and minister of economy, planning, and finance, cast his vote at polling station No. 11 at Sithan Neua village; and Thongsing Thammavong, Political Bureau member and head of the Organizing Committee of the Party Central Committee, cast his vote at polling station No. 1 at That Louang village in Saisettha District.

After casting his vote, President Nouhak Phoumsavan also granted an interview to both domestic and foreign reporters. In the interview, he clarified that there will be no change in the political system of Laos following this election. He also pointed to the significance of this election. In this regard, Khamphoui Keoboualapha also reiterated that there will be also no change in the Lao Government's economic policy and that the government will continue to pursue the restructuring line.

Observing and covering reports on the election of the third National Assembly of the Lao people on this occasion were more than 20 reporters and members of the mass media from Vietnam, Cambodia, Thailand, China, and Japan.

As is known, the election of the second Supreme People's Assembly [SPA] was held on 26 March 1989. In that election, 79 persons were elected to the assembly. The elected members have striven to effectively fulfilled their historical duty. The election of the third National Assembly was successfully closed nationwide at 1700 on the same day. Eligible voters in each constituency enjoyed their full freedom by casting their votes in accordance with their democratic rights. Public security was also maintained. It is believed that nearly 100 percent of the eligible voters in each constituency turned out to vote.

Initial reports received at 1900 on 20 December are as follows:

In Luang Namtha Province, there were 66,570 eligible voters, including more than 36,000 women, out of some 120,000 citizens which include 63,000 women. There were 195 polling stations in all its five districts. One hundred percent of the eligible voters at polling stations in the provincial town turned out to vote.

There were altogether 102,257 eligible voters out of 22,3674 citizens in Houa Phan Province. One hundred percent of the eligible voters at the polling stations of Houa Meuang, Khamtai, Na Gniang, Kham Neua, Na Sakang, Na Thong, and Ngeua Kham villages turned out to vote.

In Sekong Province, there were 30,861 eligible voters out of 64,091 citizens, and 63 polling stations. One hundred percent of the eligible voters at polling stations in the provincial town turned out to vote.

In Vientiane Province, all 323 eligible voters at the Pakcheng Kang and all 1,054 eligible voters of the Pakcheng Neua polling stations cast their ballots. [words indistinct] There were no spoiled ballots.

In Oudomsai Province, there were altogether 94,145 eligible voters and 284 polling stations. In the provincial town alone, there were 14 polling stations, five of which registered a hundred percent turn out.

In Khammouane Province, there were altogether 123,558 eligible voters, including 62,776 women, out of 236,764 citizens, including 124,081 women. There were 211 polling stations, 10 of which were located in the provincial town. A total of 98.63 percent of the eligible voters of the 10 polling stations turned out to vote.

In Bokeo Province, in Nam Gneung canton, there were (?2,619) eligible voters and five polling stations. All the eligible voters of this canton voted.

In Bolikhamsai Province, there were altogether 73,909 eligible voters, representing 48.32 percent of all citizens in the province, and 189 polling stations.

In the national defense and public security maintenance region, there were seven polling stations. All 2,000 eligible voters turned out to vote. There were no spoilt ballots.

In Saravane Province, for the polling station of the provincial police command, all 211 eligible voters, including 24 women, cast their votes.

In Vientiane municipality, at the polling station No. 31 of Tha Deua village in Hat Saifong District, all 807 eligible voters cast their votes. At the polling station No. 32 of (Pin Thong), Phan Chaleun, and (Mangkon Neua) villages, all 723 eligible voters turned out to vote. At the polling station No. 33 of Siang Feuang and Namton Tai villages, 803 out 804 eligible voters, or close to 100 percent voted. In Sisattanak District, polling station No. 1 of (Saphai) village, all 743 eligible voters voted, and at polling station No. 3 of Souan Mon village, all 617 eligible voters turned out to vote.

Vientiane Public Security Command Holds Election

BK1912160392 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Dec 92

[Text] After a considerable period of preparation, on the morning of 17 December at the Public Security Command of Vientiane Province, ballots were cast to elect members to the third National Assembly.

On this occasion, police officers and policemen of Vientiane Province carefully considered the qualifications of the candidates before making their decisions to elect members of the third National Assembly. They chose on the basis that assembly members must be persons who are really honest to the Party, Government, and the people, and must be capable of administering the country toward growth and progress.

A total of 353 voters turned out on the day to cast ballots at the Public Security Command of Vientiane Province. The election activity was held successfully in an orderly manner.

Supreme Court Rules on 'Important' Cases

BK1712141192 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Dec 92

[Text] On 4 November [month as heard], criminal judges of the Supreme Court tried and gave verdicts on a number of important cases at the People's Court of Houa Phan Province. The cases were filed by public prosecutors of the People's Court of the Lao People's Democratic Republic [LPDR]. Details of the verdicts are as follows:

Mr. Thongsouk Saisangkhi [former deputy minister science and technology], Mr. Sengsak Chittaphon, and Mr. Latsami Khamphoui [former deputy minister of agriculture, forestry, and irrigation] were charged with making preparations to stage a rebellion and for conducting propaganda against the LPDR, gathering groups of people to create disturbances and carry out slanderous charges against other people, and creating disorder in imprison. Their acts are in violation of Articles 52, 59, 66, 87, 159.2 and 40 of the Criminal Law. The three offenders were sentenced to 14 years of imprisonment each.

Mr. Pangthong Chotbengboun was charged with murder, detaining, assault, excessive use fo power, rape, and plundering and damaging property of other people. These acts are in violation of Articles 81, 83, 90, 91, 109, 113, 119, 143, and 40 of the Criminal Law. He was sentenced to life imprisonment.

Mr. Bounleu Nammathao was charged with violating an individual's freedom, murder, and excessive use force against other citizens. His acts are in violation of Articles 81, 90, 93, 143, 16, and 40 of the Criminal Law. He was sentenced to life imprisonment.

Mr. Sing Chanthakouman was charged with murder, in violation of Articles 81 and 16 of the Criminal Law. He was sentenced to life imprisonment.

Land Transport Discussed With Thai Officials

BK1812081192 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 18 Dec 92

[Text] Delegations of Lao and Thai authorities held an official meeting in Vientiane on 17 December to discuss issues concerning land transport between the countries.

The Lao side was led by Sai Phakasoum, head of the office of the Ministry of Communications, Transport, Posts, and Construction, while the Thai team was headed by Banthoeng Watthanasiritham, deputy permanent secretary of the Ministry of Communications and Transport.

The meeting discussed three major issues: the policies and rules and regulations for land transport between Laos and Thailand, guidelines for solving problems related to land transport, and guidelines for promoting cooperation in land transport between the two countries.

On cross-border trading, both sides agreed to lower prices of goods, to guarantee the quality of goods, and to fix time for transporting goods. In order to solve problems relating to land transport between the two countries, both sides agreed to follow an agreement reached by the Lao and Thai Governments in a meeting held at Thailand's Samui Island on 21-22 August 1992.

Leaders Thank SRV Counterparts for Greeting

BK1912083592 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 19 Dec 92

["Recent" joint message of thanks from Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee and prime minister, and Comrade Nouhak Phoumsavan, president of state and chairman of the Supreme People's Assembly, to Comrade Do Muoi, general secretary of the Communist Party of Vietnam Central Committee; Comrade Le Duc Anh, president of the SRV; Comrade Vo Van Kiet, prime minister of the SRV; and Comrade Nong Duc Manh, chairman of the National Assembly]

[Text] On behalf of the Lao People's Revolutionary Party Central Committee, the Suprme People's Assembly, the government, and the Lao people, we would like to extend our sincere thanks to you, comrades, and, through you, to the Communist Party of Vietnam Central Committee, the National Assembly, the government, and the fraternal Vietnamese people for sending a congratulatory message to us on the occasion of the 17th anniversary of the national day of the Lao People's Democratic Republic.

We are continuing to apply the revolutionary cause followed by respected and beloved Comrade Kaysone Phomvihan to further develop and strengthen the relations of friendship, special solidarity, and comprehensive cooperation between the two parties, states, and peoples of Laos and Vietnam for the interests of our two peoples and for peace, stability, and international cooperation.

May you, comrades, have good health and brilliant successes in fulfilling your lofty cause.

On the same occasion, Comrade Phoun Sipaseut, deputy prime minister and foreign affairs minister, also sent a message of thanks to Comrade Nguyen Manh Cam, foreign affairs of the SRV.

PM Office on Ethnic New Year Celebration

BK1912091592 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 19 Dec 92

["News release" issued by the Prime Minister's Office on the organization of the traditional new year celebration for all ethnic people throughout the country by all ministries, ministerial-level organizations at the center, in all provinces, and in Vientiane Municipality—dated 17 December]

[Text] The continued implementation of the policy toward ethnic people, as noted in the resolution on ethnic minorities adopted by the Political Bureau, is aimed at extensively and profoundly consolidating and developing unity, harmony, and equality among the multiethnic people. The lofty decision made by all cadres, soldiers, policemen, and multiethnic Lao people throughout the country to closely unite under the correct leadership of the party and state, thereby allowing us to score brilliant victories in defending and building the country, to bring peace and order to society, and to gradually improve the people's living conditions, has been extremely commendable. Particularly in the present, our multiethnic people are energetically carrying out political campaigns in preparation for the hold of the election to the third National Assembly. In order to allow the multiethnic Lao people throughout the country to continue practicing their fine traditional customs, such as the celebration of annual festivals, the paying of homage to ancestors, and the holding of meetings to express gratitude toward the party and state, and at the same time to continue relentlessly, vigorously, and effectively promoting campaigns in all aspects as mentioned above, on the occasion of the forthcoming Boun Kin Chiang traditional New Year festival, the Prime Minister's [PM] Office has issued the following release to all ministries, and ministerial-level organizations at the center, in all provinces, and in Vientiane Municipality:

The Lao Front for National Construction Central Committee is instructed to lay down guidelines for the celebration of the traditional New Year festival for all multiethnic minorities with contents and forms suitable to the realities in their respective localities and the national defense and public security maintenance conditions in our society. The themes and organizational forms of the celebration must be decided on a voluntary basis by each locality and ethnic group.

During the celebration, state organizations at all levels and all services concerned must pay attention to mobilizing and guiding the multiethnic people to engage more profoundly in ideological and political work, such as by continuing to study and to deepen their understanding and appreciation of the party's resolution on ethnic minorities, for example, in implementing the policy of forging unity, harmony, equality, and mutual assistance among the ethnic minorities on the basis of strengthening their faith in the party's leadership, adhering to the state's laws, and upholding the spirit of patriotism and love of the new regime. Efforts must be continued in encouraging all multiethnic people to cast their ballots in the forthcoming election of members of the third National Assembly en masse.

Upon receiving this news release, the party committees at all levels and the services concerned throughout the country must study and effectively implement it in toto.

Philippines

Ramos Invites Thais To Invest in Philippines

HK1912070292 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 19 Dec 92

[Text] President Fidel V. Ramos has offered to the private sector in Thailand the chance to participate in build-operate-transfer projects in the Philippines.

[Begin Ramos recording in English] In addition to economic incentives, we are also encouraging the private sector to help develop our indigenous sources of energy—geothermal, oil, natural gas and non-oil, and to take part in the generation of power.

We are opening 12 new industrial areas and five new major growth centers all over the country to which we invite the attention of overseas investors. These areas include the great complex of Subic Bay, once the headquarters of the American Pacific Fleet in this part of Asia and the Pacific. [end recording]

In this connection, the president is scheduled to visit a modern industrial estate in Thailand.

On the other hand, several Thai businessmen are said to have decided to invest in the electrification projects of the Philippines.

[Begin National Electrification Administration administrator Rodrigo Cabrera recording] Our main objective here, along with that of President Ramos, is to develop links with our Thai friends who are in rural electrification, through their Provincial Electricity Authority, which is the counterpart of our National Electrification Administration in the Philippines.

Another reason we are here is that we are inviting Thai investors to set up factories in the Philippines to manufacture the requirements of our electrification program, like transformers. We have succeeded in this field because one big Thai company, the (Ikarad) Transformer Manufacturing Company, the number one transformer company in Thailand, has signed a joint agreement with a group of Filipino entrepreneurs to manufacture transformers we will need in our power program. [end recording]

Still on the Ramos visit to Thailand, officials of the Population and Community Development Association of Thailand defended Health Secretary Juan Flavier's distribution of condoms to members of the Ramos party before they left for Thailand. The Thais praised what they called Flavier's serious campaign against AIDS. They said this campaign should have been supported instead of being ridiculed. In recognition of Flavier's action, the Thais gave him and President Ramos a flower vase made of condoms.

Abadia Urges Leftist Leader To Resolve Rift

HK2112010692 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 19 Dec 92

[Text] General Lisandro Abadia, Armed Forces chief of staff, today challenged [Communist Party of the Philippines Chairman] Jose Maria Sison to face the communist leaders he has accused of turning traitor to the movement.

He said this is the only way to resolve the rift among them and find out who really has the right to lead the revolutionary movement.

Earlier, the military confirmed that a rift had developed within the leadership of the Communist Party of the Philippines, the New People's Army, and the National Democratic Front.

This was amid government efforts to convince leftist rebels to surrender to achieve lasting peace.

Believes Talks To Have Positive Effect

HK2112064392 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT

[Text] Armed Forces of the Philippines [AFP] Chief of Staff General Lisandro Abadia today expressed belief in positive effects of the peace talks being conducted by the government with the various rebels.

Abadia said if the talks succeed, the role of the Armed Forces of the Philippines will shift towards reconstruction of the country.

He also stressed the military's commitment to its sworn duty.

[Begin Abadia recording] We, therefore, envision an Armed Forces that is not only an effective instrument for national defense, but also an active partner for national progress. With this in mind, we once again echo our pledge to protect the people and the state, even as we serve the nation to the highest ideals of service for a better Armed Forces and a greater Philippines. [end recording]

Congress Approves 1993 National Budget

HK1812141192 Quezon City ABC-DWET Television in English 1300 GMT 18 Dec 92

[From the "ABC-DWET News Program"]

[Text] The government is now assured of a budget for 1993, with the ratification by both houses of Congress of the bicameral report on the General Appropriations Act. Congress approved the budget of P310.2 billion [Philippine pesos], P22 billion less than what Malacanang asked for. The measure would provide for a P500 hike in the allowances of teachers, soldiers, and policemen by May next year.

Among the agencies of government allotted large increases were the departments of health and public works. At the Senate, which cuts government budget for debt payments, Finance Committee Chairman Edgardo Angara said the measure broke new ground since it restored Congress' authority over government coffers. From the former budget of over P126 billion, the Senate trimmed this down to only P100 billion.

Thailand

Military Chiefs Meet, Discuss Somalia, Issues

BK1912113892 Bangkok SIAM RAT in Thai 19 Dec 92 p 16

[Text] Lieutenant General Anuson Kritsanaserani, director of the Supreme Command Information Office, said that leaders of the Armed Forces had a meeting to discuss the possibility of Thailand being asked to send forces for a UN security mission in Somalia. The officers were of the opinion that any decision on this matter must be carefully made, taking into account both short- and long-term advantages or disadvantages to Thailand. The leaders of the Armed Forces were asked to make an assessment of it.

Speaking during an interview granted on 18 December after the meeting of the Armed Forces unit commanders at the Army Auditorium, the director of the Supreme Command Information Office said the meeting also discussed UN economic sanctions against the Khmer Rouge that will take effect in January next year. He said the Armed Forces are ready to follow the government's decision concerning the sanctions. It all depends on the instruction we get from the Government and the Foreign Ministry.

Gen. Anuson said Supreme Commander Air Chief Marshal Woranat Aphichari reported to the meeting on his recent visit to Laos. He said the visit contributed to strengthening relations between the armed forces of the two countries. It has relatively eliminated the feeling of mistrust. He said both sides agreed to set up border committees at the provincial level to coordinate work and reduce tension at the local level.

Suchinda Attends Class 5 Officers' Function

BK2012154792 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Dec 92

[Excerpts] During a get-together hosted by the "0143 group" of military officers [officers of Class 5 of the Chunlachomklao Military Academy] at the Dusit Resort and Polo Club Hotel [in Cha-am District, Phet Buri Province] last night, General Suchinda Khraprayun, former prime minister, explained that he had no connection with the Benchamat Construction Company [which is constructing the new Supreme Command Headquarters near the Royal Plaza]. He said the misunderstanding was caused by certain people interpreting the name of the company, which means five, the way it matches with Class 5 officers. The slogan of the get-together of the Class 5 military officers has always been that of "no rank and no political position at this get-together." According to our reporter, there has been no politics at the function. [passage omitted]

Asked by reporters about the possibility of the news that some of the Class 5 ex-officers are planning to set up a political party, Prime Minister Chuan Likphai said this is nothing unusual; they are free to do so.

[Begin Chuan recording] They have freedom under the Thai law to set up a political party. [passage omitted] [end recording]

Talks Held With Philippine Delegation 18 Dec

BK1812150592 Bangkok Radio Thailand Network in Thai 1200 GMT 18 Dec 92

[Text] Speaking to reporters at Government House after consultative talks between the Thai and Philippine delegations this afternoon, Aphisit Wetchachiwa, spokesman to the Prime Minister's Office, said that Prime Minister Chuan Likphai and President Fidel Ramos cochaired the consultative meeting, which was attended by the ministers concerned of the two countries. So far, relations between Thailand and the Philippines have not encountered any problems because the two countries have adjusted toward each other following their constant struggle for democracy.

Prime Minister Chuan Likphai congratulated the Philippine side for the rapid improvment of its economy. President Fidel Ramos mentioned the good relations between the two countries and reviewed the development of his country's administration in five areas, namely, national stability, the economy, energy, the environment, and the improvement of the country's complicated bureaucracy.

Interior Minister General Chawalit Yongchaiyut briefed the meeting on the maintenance of security along the border with Cambodia.

Meanwhile, Foreign Minister Squadron Leader Prasong Sunsiri informed the Philippine side about Thailand's desire for the restoration of genuine peace in Cambodia, which requires diplomatic endeavors to persuade the Khmer Rouge to join in the peace process, and Thailand's determination to cooperate in the implementation of the UN resolution in putting pressure on the Khmer Rouge.

Aphisit Wetchachiwa said that during the meeting, both sides emphasized their economic cooperation in line with the policy of ASEAN Free Trade Area. Meanwhile, the Thai-Philippine commission is making preparations for a meeting to be held during the first quarter of next year and cochaired by the foreign ministers of the two countries. The meeting also discussed military cooperation. The Philippine president raised the possibility of the expansion of cooperation in the South China Sea for the benefit of regional stability.

As the Philippine mass media has shown an interest in the security problem along the Thai-Cambodia border, the Thai side clarified its stand on the Cambodian problem and cooperation in implementing the UN resolution, and the closure of the border passes leading the to the Khmer Rouge-controlled zones.

Touching on the recent border skirmish with Burma, the Thai side informed its Philippine counterpart that the problem was caused by a misunderstanding at the local level. The Philippine side took note of Thailand's efforts to maintain good relations with its neighboring countries.

Ramos on Consoliodating AFTA

BK1912041192 Bangkok THE NATION in English 19 Dec 92 p B1

[Excerpt] Visiting Philippine President Fidel Ramos yesterday called on the Asean governments and the private sector to consolidate their efforts on the Asean Free Trade Area [AFTA] to thwart potential economic threats from the European Single Market and the North American Free Trade Area [NAFTA].

He said Asean must "ensure that Afta sails well into the stormy seas of the economic order in the world. In a very real sense, our two countries and Asean as a whole, have no choice but to cooperate in this manner and to the furthest extent possible."

The Philippine president also urged Thai investors to participate in industrial development in the Philippines as part of the Asean effort to boost the intra-regional trade.

Speaking at a luncheon hosted by the Thai private sector's Joint Standing Committee on Commerce, Industry and Banking yesterday, Ramos predicted that Asean's trade with North America will decline by about four per cent because of the creation of NAFTA; while Asean's trade with the EC will diminish by eight per cent due to the formation of the Single Market.

He also projected that the creation of NAFTA will divert North American investment from Asean to its home markets instead.

"These potential problems could gravely affect Asean's future—because the spectacular growth of our region's economies has been fuelled by exports and by incoming foreign investment," Ramos said.

"Our collective response to this challenge comes in the form of an Asean Free Trade Area," he added.

The potential areas for Thai investments are cement, agro-industry, textiles and jewellery, the Philippine president said.

Thai-Philippine trade volume is a low US$171 million, the smallest value between Thailand and any other Asean country. "We must move beyond the present limit," Ramos said.

The president of the Philippines is on a four-day visit to Thailand, his first overseas trip since assuming the presidency.

In his meeting with Thai business people yesterday, Ramos shared his government blueprint on the conversion of Subic naval base into a freeport. He invited members of the Federation of Thai Industries, the Board of Trade and the Thai Bankers Association to invest in the free port zone which could be an ideal location for medium-sized industries.

"We are opening 12 industrial areas and five major growth centres all over the country," he said.

Ramos said the Philippines has passed a new law allowing foreigners to lease land for up to 99 years. His government is also planning to liberalize the banking sector to either allow foreign banks to open branches or hold up to 70 per cent in joint venture banking operations.

Chatri Sophonphanit, executive chairman of Bangkok Bank, said his bank is interested in participating in the Philippines in the form of a joint venture.

Chokchai Aksaranan, president of the Federation of Thai Industries said there is little Thai investment in the Philippines. The Philippine government has also invited Thai investors to participate in the electricity and telecommunications sectors. [passage omitted]

Ramos Answers Regional Questions

BK2012050892 Bangkok THE NATION in English 20 Dec 92 p A2

[By Marisa Chimphabha]

[Text] Manila will not respond to international calls to put pressure on Burma's military junta which is still clinging to power.

Philippine President Fidel Ramos yesterday said his country would allow what he described as the democratic process in Burma to proceed "naturaly."

"The Philippines will allow the democratic process to take place 'naturally' and we wish them [Burma] well" Ramos said. He won the general election in June this year, succeeding ex-president Corazon Aquino.

The general-turned-president was responding to questions at a press conference on his foreign policy towards Burma and the growing calls by the international community to put pressure on the military junta, which refused to hand over power to Burma's National League for Democracy which won a landslide victory in the 1990 general election.

Ramos, who will end his four-day visit today as the guest of the Thai government said that he has realized that bringing democracy back to the people was a very difficult task.

He said Manila also had had a "painful period" in stabilizing democracy in the country. Yesterday's press conference was packed with Thai, and Filipino journalists who accompanied the president to Thailand.

Regarding Cambodia, the president declined to comment on criticism that Thai government had tried to protect Thai businessmen trading in logs and gems with the Khmer Rouge.

He stressed that Manila has confirmed its commitment to support the UN to bring peace back to the once wartorn country.

Ramos added that he had been assured by Thai Prime Minister Chuan Likphai and his government that Thailand will continue to give its full support to the UN's activities where the Cambodian issue is concerned.

Ramos told reporters that he was very impressed with the Thai premier, who he said, was very "skilled" in leading the coalition government.

Chuan proved to be an an excellent host for him and his entourage although he was engaged in a heated parliamentary debate on the Budget Bill, he added.

Thailand and the Philippines had agreed on a concerted effort to combat drug trafficking between the two countries Ramos said.

Thailand's cooperation in combatting the flow of drugs from the golden triangle will be a big boost to the Philippines' anti-drug campaign, added Ramos.

Ends Talks, Leaves for Home

BK2012144092 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Dec 92

[Text] General Fidel Ramos, president of the Republic of the Philippines, has left Thailand for home ending his visit here that began 17 December. He departed from the Air Force Headquarters Airport at 0945 today. The Philippine president was seen off at the airport by Prime Minister Chuan Likphai and other distinguished members of the Thai Government.

Gen. Fidel Ramos paid an official visit to Thailand as guest of the Thai Government. During the visit he had an audience with the king and queen, held discussions with Thai Government leaders on strengthening of bilateral relations, and had a meeting with members of Thailand's Board of Trade, Federation of Industries, and Bankers Association. President Fidel Ramos also visited industrial plants of the Charoen Phokhaphan Group.

In a statement made before leaving Thailand, Gen. Fidel Ramos praised the Thai Government and Thailand's economic potential. He also stressed the importance of implementing the ASEAN Free Trade Area program.

Draft 1993 Budget Bill Passes First House Reading

BK1812135292 Bangkok Radio Thailand Network in Thai 1200 GMT 18 Dec 92

[Excerpts] At 1350, House Speaker Marut Bunnak presided over the meeting of the House of Representative for the debate of the draft 1993 Budget Bill. This is the third day of the debate.

Sophon Phetsawang, Chat Phatthana Party's MP [member of Parliament] from Buriram Province, proposed that each MP be given 10 minutes to speak during the debate and ministers render their explanation after all MP's have aired their views. Sophon said his proposal, later accepted by the meeting, was aimed at closing the debate before 1700 hours and allowing some 20 more MP's to speak.

During the first part of the meeting, most of the MP's talked about the budget set aside by the Ministry of Agriculture and Cooperatives for solving the problems of farmland shortage, development of water sources, and farmers' indebtedness. Rural development and the unfair distribution of income, which are the work of the Interior Ministry with the involvement of the Public Health and Education Ministries, in rural development were also criticized. [passage omitted]

At about 1835, the house speaker asked the meeting to vote for the closure of the debate and the passage or rejection of the draft budget bill. The house members voted 199 against 114 in favor of the draft bill. The house later appointed a commission to scrutinize the draft budget bill for fiscal 1993 for the second reading.

UN Tape on Cambodia Environment Not Received

BK1812120792 Bangkok Voice of Free Asia in Thai 1030 GMT 18 Dec 92

[Text] The BBC Thai language service reportedly presented an interview with Yasushi Akashi, the chairman of the UN Transitional Authority in Cambodia [UNTAC], from which Akashi said a videotape was produced by UNTAC showing destruction of natural resources in Cambodia and that the tape was sent to the Thai Government. He said he had received no response from the Thai Government regarding the tape. In the interview Akashi also commented about Thailand's attempt to delay compliance with the UN resolution on sanctions against the Khmer Rouge.

Regarding this BBC report, Foreign Minister Squadron Leader Sunsiri spoke with newsmen after welcoming visiting Philippine President Fidel Ramos. Prasong said he has not received the UNTAC videotape. He noted that Lieutenant General John Sanderson, the commander of the UNTAC peacekeeping force in Cambodia, had been informed during a recent meeting with him that Thailand will provide cooperation in many forms, particularly in setting up checkpoints in Thai territory opposite the checkpoints UNTAC set up in Cambodia. Thailand is also ready to provide assistance in case problems occur at the checkpoints. In any event, Prasong said he did not think there was public presentation of the abovementioned UNTAC report because he has received no information about it.

Effects of Liberalized Trade on ASEAN Discussed

BK1712040192 Bangkok BANGKOK POST in English 17 Dec 92 p 21, 32

[Text] The ASEAN Free Trade Area (AFTA) could increase annual trade among its six members by $2.15-$4 billion but more general liberalisation would add even more, according to a study recently completed.

The study was undertaken by Dean A. DeRosa of the International Food Policy Research Institute in Washington, who is due to present his findings at a seminar at Chulalongkon University today.

It not only shows that AFTA could create new trade, but that the regional free trade area would not seriously divert trade between ASEAN and the rest of the world.

This would make AFTA acceptable to free traders and the General Agreement on Tariffs and Trade, the world's commercial watchdog, who are worried that regional agreements could harm the interests of outsiders.

But Mr DeRosa warns that the techniques available for predicting the effects of a free trade area suffer from a number of shortcomings.

He uses a method known as "computable general equilibrium" to compare the effects on trade, the individual economies and the various sectors, resulting from the elimination of tariffs and the removal of nontariff barriers under the 15-year AFTA scheme. The final figures are for an unspecified medium to long term.

According to the calculations, total exports from ASEAN countries to one another and to the rest of the world would increase by $1.8 billion per year if trade barriers were removed on all manufactured products when traded within the group.

If only a selection of products were liberalised—the 15 product groups targetted for accelerated "fast-track" liberalisation under the AFTA agreements—the increase in exports would be $1.2 billion.

But if ASEAN countries removed their import barriers to everyone, both inside and outside the group, the calculations suggest "gains in total ASEAN trade that are two and a half times larger than under the AFTA plan, between $5.8 billion and $3.2 billion."

Thailand's exports would increase by $270 million (about 6.8 billion baht) with full liberalisation under AFTA and by $1.9 billion (about 47.5 billion baht) if imports from all over the world were allowed into ASEAN freely, according to the calculations.

Although AFTA's trade diversion would be small it is, nevertheless, on a scale that would be measurable with some slowing down in relations with the newly industrialising and developing countries in Asia, Mr DeRosa says.

"In absolute terms, the greatest diversion of ASEAN trade would occur, as expected, to ASEAN trade with the major industrial countries. But the simulation results also indicate that the growth of economic integration among countries in developing Asia would also be affected.

"ASEAN trade relations with the East Asian (newly industrialising countries) would be adversely affected most, reflecting the (present) strong ties between the East and Southeast Asian economies. But measured in proportional terms, the AFTA plan would also adversely impact on ASEAN trade relations with China and the low-income countries of South Asia appreciably."

In this sense, he warns, AFTA could pose a threat to the increasing exchange of resources within the broader East and Southeast Asia, and "to this progression of economic opportunities for the region's producers and consumers."

Mr DeRosa's paper was drafted for a three-day seminar on economic regionalism in Asia-Pacific, ASEAN and the South Asian Association for Regional Cooperation (SAARC), organised by Chulalongkon University's Economics Faculty and the American Committee on Asian Economic Studies.

During yesterday's session, two American economists examined the evidence for increasing integration or "cohesion" in the region.

Prof Alan Heston of the University of Pennsylvania looked at incomes and prices in general and those of machinery in particular, in countries covered by the UN Economic and Social Commission for Asia and the Pacific (ESCAP).

His purpose was to examine theories that predict that as developing countries catch up with richer nations prices in the "followers" draw closer to those of the "leaders." He found no evidence of this happening in the ESCAP region.

As well as concluding that the theories might need amending Prof Heston added: "The implications of this for trade and integration of the ESCAP region is that there is nothing in the present set of policies that is bringing countries closer together. On a more positive note, the differences in relative prices between countries suggest there are large potential welfare gains from increasing trade within the region."

Dr David Jay Green of the Asian Development Bank and Hosei University in Tokyo found evidence that exchange rates, interest rates, inflation and other economic measures were moving closely together in the four larger ASEAN countries: Thailand, Malaysia, the Philippines and Indonesia.

This suggests a favourable climate for ASEAN integration in the form of AFTA or some other policy, he concluded.

The three-day international conference ends tomorrow.

Commerce Ministry To Accelerate Rice Exports

BK1712081792 Bangkok BANGKOK POST in English 17 Dec 92 p 23

[Text] Commerce Minister Uthai Phimchaichon yesterday said his ministry will accelerate rice exports as much as possible to meet the 4.5 million-ton export target set for next year.

Mr Uthai's statement was contained in a report submitted to the Cabinet for acknowledgment.

He said every effort will be made to push rice exports because world rice trading competition will become fiercer as a result of the 1.4 percent increase in global rice output expected next year.

During January 1-December 10 this year, Thailand's rice exports totalled 4.5 million tons, 21.5 percent up from the same period last year.

Mr Uthai said the domestic rice market is currently sluggish, but since the Government decided to intervene in the rice trade, the price of 100 percent white rice has increased by 12 baht per 100-kg sack and it is believed that the higher price trend would continue.

The ministry also instructed exporters who have committed themselves to selling rice to the Government in the rice purchase programme to speed up deliveries in order to push up paddy prices and asked for the exporters' cooperation in finding as many overseas rice markets as possible, especially at the start of the crop year.

To enable rice millers to sell their rice and buy more paddy, the ministry has announced that it will buy 140,000 tons of rice from millers in its second programme on December 14.

The measure, he believes, can help push the rice price (for produce with moisture not exceeding 15 percent) up from 3,700 baht to 3,900 baht per ton.

In addition, the Finance Ministry has ordered the Bank for Agriculture and Agricultural Cooperatives to accept rice mortgages every two days. The state-owned bank is ready to accept rice mortgages for produce with moisture not exceeding 15 percent from farmers at 3,690 baht per ton.

If the farmers receive rice prices from elsewhere lower than the bank's offered price, they should mortgage the rice with the bank. The bank will give growers 10 months to join the mortgage, he said.

Ministry Seeks To Avert Threat on Tuna Imports

BK1712034592 Bangkok BANGKOK POST in English 17 Dec 92 p 21

[Text] The Commerce Ministry has asked the Cabinet to withdraw the 5,400 export certificates for Thai canned tuna destined for the European Community to avert an EC threat to revoke low import duties on Thai exports

If the ministry's proposal is approved next week the 5,400 shipments sent early this year will have to incur the normal 24 percent import duty instead of 18 percent under the special concession of the Generalised System of Preferences [GSP].

According to a high-level ministry source yesterday, the decision was reached at a meeting of Deputy Prime Minister Supachai Phanitchaphak with two key EC figures in Brussels last week.

During meetings with Agricultural Commissioner Ray MacSharry and Commissioner of North-South Relations Abel Matutes, the EC threatened to withdraw all GSP concessions on Thai exports if Thailand does not pay back the full 24 percent duty on the 5,400 shipments of Thai canned tuna.

Early this year, EC customs officials found that the 5,400 shipments were not processed from bonito sada tuna, for which, the 18 percent duty applies.

After several rounds of talks between EC and Thai interests, ministry representatives agreed to revoke the export certificates for future shipments, because it is clear that the Thai exports contain none of this tuna.

Thai exporters were unable to produce any evidence that their sendings were processed from bonito sada, the source said. Thailand has to resolve the matter urgently to maintain its major market for canned tuna.

"After the case emerged, Thai canned tuna exports to the EC fell significantly and its market share was snatched by other exporters, especially Indonesia and the Philippines," the source said.

Tuna Exporters Fear 50 Percent Drop in EC Sales

BK1812014792 Bangkok THE NATION in English 18 Dec 92 p B5

[Text] Thai canned tuna exporters fear a 50 per cent reduction in sales to the European Community once the EC imposes a worldwide quota on canned tuna imports.

A major canned tuna exporter, who asked not to be named, said he was recently informed by his EC trading partner that from next year, the EC would limit its worldwide volume of tuna imports to 74,800 tonnes annually—a reduction of one-third.

Reports of the new quota are worrying Thai exporters who fear that the import limitation will force them to sell less canned tuna to the Community, where they used to enjoy a sales volume of more than Bt [baht] 6 billion a year.

EC officials could be not be reached for comment yesterday.

The Thai exporter said that the EC's decision was not compatible with the spirit of the General Agreement on Tariffs and Trade (Gatt).

The Gatt is designed to enhance free trade through the elimination of all nontariff barriers.

He said that the EC's global quota did not cover countries in Africa, the Pacific or the Caribbean.

This means that the Community is trying to limit imports from Asean countries such as Thailand, Indonesia and the Philippines and boost import volumes from countries in these developing regions, instead.

He added that local exporters have asked the Thai government to talk with EC officials on the introduction of an export quota on canned tuna, using the forum of the Uruguay Round.

He said that although Thailand and the EC currently have a joint consultative committee, as a forum it was not very active.

Referring to the EC's recent request asking Thailand to withdraw all 5,400 export certificates for tuna destined for the EC, the exporter said that the case should be tried in court, because EC regulations stipulate that the plaintiff must prove his case.

Early this year, EC customs officials found that 5,400 shipments were not processed from bonito sarda tuna, for which the 18 per cent duty applies, as stated on the label.

The canned tuna made from another type of tuna which is subject to the normal tax of 24 per cent. [sentence as published]

The exporter said that the EC should not use the canned tuna case to cut the tax concessions under the EC's Generalized System of Preferences (GSP) on Thai exports prior to the conclusion of the investigations.

He added that in fact, the error was the result of EC importers and Thai customs officials who allowed canned tuna which was not processed from bonito sarda to enjoy the EC tax concessions.

Video Pirate Arrested After U.S. Complaints

BK1712023592 Bangkok THE NATION in English 17 Dec 92 p A2

[Text] The Economic Crime Investigation Division yesterday arrested an alleged video tape counterfeiter to show the United States and the European Community that Thailand was serious in tackling the problem.

The arrest of people involved at Video World located at Sukhumwit Soi 33 came after a group of movie companies including Universal, Paramount, Twentieth Century Fox, Columbia and Walt Disney filed complaints with the Commerce Ministry and the police.

Video World is alleged to have sold 8,000 counterfeited tapes to leading hotels in Bangkok and the provinces.

Both the US and EC have been pressing Thailand to step up actions against pirate tape operators. The US earlier agreed to postpone consideration on Thailand's trade privilege from this month until April next year.

The police confiscated 200-300 tapes at Video World. George Farakas, the Australian owner, said he bought the outlet from another Australian two years ago for Bt4-5 million. He had been arrested four times already and will close down the shop until the case is over. "I cannot handle another arrest. I may burn the shop and sell noodles instead," Farakas said.

Farakas said the police should also take action against other shops.

Suchit Aphiradi, an inspector attached to the Commerce Ministry, said his ministry has to act accordingly to national interest despite sympathizing with consumers and business organizations.

Padet Hongfa, managing director of CVD Co, which represents movie copyright holders, said his firm has been hard hit by the pirate tapes, worth tens of million baht, and has been making losses in the past three years.

He said CVD would lose more customers if action is not taken against counterfeiters. There is a large price gap between copyright and pirated tapes. He said the penalty should be harsher. The maximum fine is Bt10,000.

Investment Protection Accord Signed With Poland

BK1812124192 Bangkok Voice of Free Asia in Thai 1030 GMT 18 Dec 92

[Text] At about 1000 today at the Foreign Ministry, a ceremony was held to sign an agreement on the promotion and protection of investment between the Thai and Polish governments. Foreign Minister Squadron Leader Prasong Sunsiri and (Rikard Vikowsky), the acting Polish finance minister, signed on behalf of their respective governments.

The agreement could be summarized as follows:

1. The signatories will promote and expedite investment by the other country's citizens and companies in their territories by providing fair and just treatment equal to that given to its own citizens, companies, or third countries.

2. The signatories will give a guarantee of compensation in case of expropriation and in the event of war or armed dispute in a state of emergency. Transfer of investment and investment return capital in currencies that are freely exchangeable is guaranteed. Settlement of disputes between the signatories regarding use and interpretation of the agreement will be done by a legal tribunal.

The investment promotion and protection agreement between Thailand and Poland will become a factor which will induce investment in each other's country by creating confidence and providing an investment guarantee for investors of both countries. It will also strengthen economic relations between the two countries.

Vietnam

U.S. Senators' Visit, MIA Issue Reported

BK1912142192 Hanoi VNA in English 1418 GMT 19 Dec 92

[Text] Hanoi VNA December 19—Senator John Kerry and Senator Robert Smith, respectively chairman and vice-chairman, and other members of the US Senate Select Committee on MIA/POW issue visited Vietnam on Dec. 17 and 18.

The US delegation was received by Party General Secretary Do Muoi and President Le Duc Anh. The US senators had elaborate discussions with Foreign Minister Nguyen Manh Cam, Deputy Head of the Vietnam People's Army's General Political Department Senior-lieutenant General Dang Vu Hiep, and senior officials of the Vietnam MIA Office and the Army Museum.

At these working sessions the US Senate delegation appreciated the Vietnamese Government and people's humanitarian policy and informed the Vietnamese side of US President Bush's latest measures to ease the US trade embargo against Vietnam. The delegation also spelled out the concern of a number of families of US servicemen missing in action, about the fate of their relatives unaccounted for and of their request to the Vietnamese Goverment and people to continue cooperating in the settlement of this humanitarian issue.

Thse Vietnamese side reaaffirmed that it has always regarded the MIA issue as a purely humanitarian issue, which is why though tens of thousands of Vietnamese missing in the war have not been found, the Vietnamese Government and people have cooperated and will continue their cooperation with the US side in order to alleviate the suffering of the US families having their relatives missing in the Vietnam war. The Vietnamese side expressed its readiness to cooperate with the US in the collection of the remains as well as the collection of all sources of information about MIAs and the elucidation of reports on live sightings of Americans left by the war. The Vietnamese Government is also ready to allow those US families having their relatives missing in the war and still unaccounted for to come to Vietnam to have first-hand knowledge of Vietnam's humanitarianism and cooperation, and together with Vietnamese specialists to better indentify cases involving their relatives.

The Vietnamese side welcomed the latest gestures of President Bush in the direction of normalizing the relations of the two countries. It is of the view that in the interests of the two countries, of peace and stability in Southeast Asia, the US Government should move more quickly in that direction.

Reportage on National Assembly Second Session

17 Dec Proceedings

BK2012143392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 17 Dec 92

[Report by Thu Nga on the National Assembly deputies' discussion of the government's draft bill amending and supplementing some articles of the Law on Foreign Investment at the 17 December sitting of the Ninth National Assembly's Second Session—portions recorded]

[Summary] "Dear friend, on the morning of 17 December, the National Assembly entered its eighth working day under the direction of National Assembly Vice Chairman Phung Van Tuu.

"The deputies enthusiastically discussed and contributed views on the government's draft bill amending and supplementing a number of articles in the Law on

Foreign Investment. Most of the speeches emphasized that in the general background of our country, the implementation of the Law on Foreign Investment in the past has brought encouraging results, with better achievements each year. Those results are shown in the number of projects licensed, in practical socioeconomic and financial improvements, and in the bright prospects for the future.

"However, after the promulgation of the law, the actual investment has brought about new capacities, opportunities, requirements, and direction that demand new legal measures. Moreover, the attraction of foreign investment has created fiercer competition. The countries calling for foreign investment have continuously improved their investment environment with many measures to make themselves more attractive. Therefore, the amendment and supplementing of the Law on Foreign Investment are very necessary.

"Most of the opinions expressed were in agreement with the 10 articles listed in the draft bill for amendments and supplementations. Regarding Article I which allows private businessmen to cooperate with foreign investors, deputies Nguyen Ngoc Hai of Haiphong, Do Hoang Hai of Ho Chi Minh City, and many others held that the suggestion to allow private businessmen to cooperate directly with foreign investors—in the same way as limited liability companies and shared companies—is appropriate and in conformity with the multisectoral economic policy instituted in the 1992 Constitution. However, the government needs to examine and to introduce legal guidelines requiring certain conditions to be met in terms of capital, skills, and knowledge of management before any individual can cooperate with foreign businessmen. Comrade Do Quoc Hung, deputy from Ba Ria-Vung Tau Province stated:"

"I think that we should allow private businessmen to directly cooperate with foreign countries. Apart from the reasons mentioned in the draft bill, I would like to add that by allowing this we can diversify Vietnamese business activities, making them suitable to the adaption of new industrial, technological, and scientific levels for Vietnamese laborers. The second reason is that we can mobilize more internal and external capital resources. The third reason is that according to business practices in foreign countries, foreign investors prefer to cooperate with the nonstate sector, especially in small projects.

"The deputies also agreed that Article IV of Section 2, Chapter 4 should be changed as follows: The Vietnamese side contributes to joint ventures with subscribed capital under the forms of the right to use land, water bodies, and territorial seas according to the government's regulations.

"The deputies held that in the current situation if we eliminate capital contribution by the right to use land, the percentage of capital contribution of the Vietnamese side will be very low and the Vietnamese side will not benefit from the joint venture. Therefore, the right to use land would be applied for some more years. However, in order to increase the national budget revenue, Comrade Hoang Dinh Cau of Ha Tay Province said that the rent of land should be calculated in foreign currencies.

"The deputies also agreed with the draft bill to change Article 15 of the current law as follows: The working period of enterprises with foreign capital will be decided separately for each project but is not to exceed 50 years. In special cases, the term can be extended by the National Assembly Standing Committee but it cannot be more than 70 years. Comrade Nguyen Nhieu Coc of Hoa Binh Province gave this analysis:

"We can set up regulations allowing joint ventures with a large amount of capital, long-term interest, and a complicated production line to be working for 70 years."

"The deputies agreed to supplement Article 17 of the law by allowing enterprises with foreign investment to open bank accounts in Vietnamese and foreign currencies at Vietnamese banks, joint venture banks, or foreign banks having offices in Vietnam, because in the past many projects have asked to open accounts with foreign banks, especially projects with foreign loans. This is due to the fact that credit providers only grant loans to projects with accounts in their foreign banks. And this is a common international practice for business activities.

"As regard suggestions supplementing some articles concerning processing zones, deputies Do Hoang Hai of Ho Chi Minh City, Le Dinh Thanh of Vinh Phu, and other deputies held that processing zones are industrial zones for producing export products and providing services for export activities. Therefore, the foreign enterprises and Vietnamese economic organizations of all sectors should be allowed to invest in those zones. However, these deputies did not agree with the suggestion, saying that the goods exchange relation between enterprises in the processing zones and enterprises in the domestic market is considered as a foreign trade relation and not as an internal trade relation." They also added that the government should not grant concessions on water, electricity tariffs, and other services only to Vietnamese enterprises. Comrade Do Quoc Hung of Ba Ria-Vung Tau suggested that the government should introduce concrete administration regulations applied to industrial processing zones to prevent smuggling and to increase the national budget revenue.

"Comrade Tran Chu Toan of Gia Lai Province said that foreign investors hesitate to invest in Vietnam because of Vietnam's poor infrastructure and their lack of confidence in our investment law. Therefore, while amending and supplementing the law, the government should encourage whole-package investment to infrastructure building projects so that these projects can be put into operation quickly and attract more foreign investors."'

Comrade Nguyen Nhieu Coc of Hoa Binh, Nguyen Ngoc Tran of An Giang, Dinh Hanh of Hanoi, and Doan Viet Trung of Can Tho held that the government needs to simplify administration procedures so that investment licenses can be quickly granted by the State Commission for Cooperation and Investment. And to encourage more investment to Vietnam, the government also needs to introduce laws to attract more Overseas Vietnamese to invest in Vietnam. Comrade Nguyen Ngoc Tran of An Giang said:

"Investment by overseas Vietnamese has some different characteristics. First, it is closely attached to their relatives in Vietnam. At the moment there are more than 2 million Vietnamese living in 70 countries in the world and there are between 500,000 to 600,000 Vietnamese families who have relatives living in foreign countries. Second, their investment is small, ranging from $20,000 to $200,000 for each project. However, the number of projects will increase if we have a correct investment policy, leading to large amount of investment capital. Third, their investment will lead to technology exchange. Nowadays, in the framework of the science and technology revolution, even a small investment can help to transfer technology knowledge. Fourth, if the social conditions are favorable, their investment will not transfer profits abroad but will go mainly into reinvestment for their families and relatives in Vietnam. Therefore, in socioeconomic and political terms, investment by overseas Vietnamese will serve as a good link between the overseas Vietnamese community and their relatives in Vietnam."

Many deputies held that in order to help foreigners as well as overseas Vietnamese investment in Vietnam, the government should improve the tax law and identify important projects in order to increase the capital investment of the Vietnamese side. And these suggestions were also echoed in the opinions expressed by Comrade Le Viet Duoc of Thanh Hoa Province.

18 Dec Proceedings

BK2012101992 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Dec 92

[Report by Ngoc Ky on 18 December proceedings of the Ninth National Assembly's second session—portions recorded]

[Summary] "Dear friends, during the plenary meetings of the Ninth National Assembly's Second Session yesterday and this morning, National Assembly deputies focused their discussions on issues related to the struggle against corruption and smuggling and the supplementation and amendment of some articles of the Criminal Code and the Law on Criminal Procedures.

"Most deputies unanimously agreed with the government's report and the prime minister's decision on anti-corruption and smuggling. Indeed, corruption and smuggling are now prevalent everywhere and they are carried out in a systematic, organized fashion.

"Analyzing the cause of this situation, many deputies contended that there are many loopholes in our state policies and shortcomings in our management work. Moreover, officials with authority have been involved in corruption and smuggling to amass wealth illegally, thus causing great losses to the state. Although, we have many policies and measures to curb these social vices, they have not been correctly or seriously implemented."

Discussing various measures to curb corruption and smuggling, Comrade Dang Nhat Minh, deputy from Thanh Hoa province said, in a recorded statement: "In 1993, efforts should be made to effectively oppose corruption, recover lossed state property, and increase state revenues. I propose that the National Assembly and government formulate decisive measures to definitely deal with serious cases while the National Assembly's Judiciary Committee reviews our economic management mechanism to prevent corruptors and smugglers from taking advantage of its loopholes. Most importantly, we must realize that to successfully curb corruption and smuggling, we must rely on the press and the people."

"Dear friends, the struggle against corruption and smuggling is a long-term task requiring our consistent efforts. As a result, we must motivate the masses to participate in consistently monitoring and discovering cases of these social vices."

Dealing with this issue Comrade Nguyen Don, deputy from Quang Nam-Danang said, in a recorded statement: "In motivating the people to consistently participate in this task, I suggest that we should convene a conference between the Prime Minister and representatives of the Vietnam Fatherland Front, the Youth Union, the Women's Union, and the War Veteran Association to formulate a program of action to integrate efforts between echelons of the administration and all mass organizations in order to curb and eliminate corruption. Moreover, state-run business establishmemts must also strive to wipe out corruption in their units while striving to improve and make public their business accouting system."

"Dear friends, corruption and smuggling are two social vices having a close association. As a result, great efforts must be made to oppose them from the central down to local levels. Thus, on the one hand we must strive to revamp our party and encourage party members to take the lead in this task, while on the other land, we should expel degenerate cadres from the party and seriously deal with corruptors and smugglers."

Dealing with this issue, Comrade Nguyen Van Hanh, deputy from Ho Chi Minh City said, in a recorded statement: "First the court sector must urgently try various cases from the central down to grass-roots levels. We must try cases involving cadres first to set example for the people. I agree that to curb corruption and smuggling in the market economic system is not an easy task; however, if we strive to strengthen our economic management work, we may limit cases of violation. We must also strive to motivate the people to use only homemade merchandise, to eliminate waste, to stop the settlement of debts between economic units with a large volume of cash, and to improve bank transactions in clearing debts. I also suggest that the death sentence should be handed down on professional smugglers who use modern equipment to carry out their operations. We must, on the one hand, seriously deal with corruptors and smugglers while purifying state apparatuses and echelons of the administration. On the other hand, we must strive to perfect our organization and strive to eliminate corruption and smuggling through the enforcement of laws and concrete policies and measures."

"Dear friends, the results in curbing corruption and smuggling are still at a low level at present. One of the main causes is that we are still have no decisive measures against violators. Some deputies suggested that longer jail terms should be imposed on the criminals. Other said the National Assembly should issue resolutions on anticorruption and smuggling while the court sector should speed up trials for corruption cases. Many deputies suggested that an appropriate policy shoud be formulate to better treat cadres of law enforcement agencies."

Regarding the Criminal Code and the Law on Criminal Procedures, many deputies contended that supplementations to and amendments of these laws are essential to meet the requirements in the anticorruption and smuggling campaign. "Many deputies contributed ideas to article 44 dealing with the suspended execution of sentences. Some suggested that the application of these sentences should be abolished because they encourage criminals, while other contended that they should be maintained for humanitarian reasons. Discussing article 97 on the penalty for smuggling, some deputies agreed that the application of the death sentence should be added to this article."

"Dear friends, tomorrow, 19 December, the National Assembly will continue its plenary session at the conference hall in Hanoi."

Communique No 7

BK1812152192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Dec 92

["Communique No. 7 of the Ninth National Assembly's Second Session"]

[Text] On the morning of 18 December, the National Assembly held its plenary session at the conference hall under the chairmanship of National Assembly Vice Chairman Phung Van Tuu.

The National Assembly continued the debate on the draft bill, amending and supplementing a number of the articles of the criminal code and criminal procedure code.

Next, the National Assembly heard Luong Ngoc Toan, member of the National Assembly secretariat, read the full text of the draft bill on National Assembly meeting regulations, that had been revised on the basis of the views contributed by National Assembly deputies. The National Assembly then passed the National Assembly meeting regulations.

In the afternoon, the National Assembly continued its plenary session at the conference hall under the chairmanship of National Assembly Chairman Nong Duc Manh.

The National Assembly heard:

—Deputy Commerce Minister Le Kim Lang, on behalf of the Ministry of Commerce, answer questions raised by National Assembly deputies on a number of issues concerning policies on the export and import of goods;

—Minister of Culture and Information Tran Hoan answer questions raised by National Assembly deputies on existing shortcomings and the task of reorganizing work related to publication and the press and the management of motion pictures and video tapes;

—Minister of Energy Thai Phung Ne answered questions raised by National Assembly deputies on the issue concerning the repayment of loans by a number of localities and peasants for the construction of the 35-kv power network, and on the situation regarding a loss of electricity caused by acts of negativism; and

—Comrade Truong Quang Duoc, director general of the General Customs Department, answered questions raised by National Assembly deputies on the failure to deal severely with violations of customs laws and procedures.

19 Dec Morning Proceedings

BK1912085992 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 19 Dec 92

[Text] Today is the 10th working day of the Ninth National Assembly's second session.

The National Assembly held a plenary session at the conference hall with National Assembly Vice Chairman Phung Van Tuu directing the session.

In the first part of this morning's sitting, deputies heard Prime Minister Vo Van Kiet deliver a speech.

In his speech, the prime minister analyzed and further clarified some issues concerning the current socioeconomic situation in our country.

He emphasized: 1992 is coming to a close with a relatively comprehensive economic success. It is the first year that we have attained and exceeded our main plan targets. The results achieved have ushered in a new socioeconomic situation in our country. While affirming our successes, we never underestimate those difficulties which need to be overcome, including deficiencies, weaknesses, and shortcomings, especially social problems. The new economic situation is not a separate result of our activities in 1992 but rather an integrated one, which has been attained over the years from many factors.

The prime minister then touched on some specific issues in the 1992 socioeconomic project which call for paying attention to key areas and various economic sectors, such as those with a large potential. From this, we will create quick yet effective steps for development.

The prime minister clearly analyzed various issues concerning agriculture and the rural area, the issue of management over state enterprises in capital construction, and the responsibility of state organs at various levels for implementing the soecionomic tasks.

Also at this morning's sitting, the deputies discussed and contributed their views to the draft bill amending and supplementing a number of articles in the law on land.

This afternoon, the National Assembly will continue in session at the conference hall.

19 Dec Afternoon Proceedings

BK2012083192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Dec 92

[Text] Today the Ninth National Assembly's Second Session continued its work at the conference hall in Hanoi under the chairmanship of National Assembly Chairman Nong Duc Manh and National Assembly Vice Chairman Phung Van Tuu.

At the morning session, the National Assembly heard Prime Minister Vo Van Kiet report on a number of issues concerning the appraisal of our present socioeconomic situation, some key problems in the 1993 socioeconomic development program, and the responsibility of echelons of state agencies in guiding and implementing various tasks.

In the afternoon, the National Assembly discussed the draft bill on the supplementation to and amendment of the Law on Land.

In his speech, Prime Minister Vo Van Kiet said: The National Assembly has discussed the government's report on the socioeconomic, security, and national defense domains. National Assembly deputies contributed many good ideas regarding the policies, measures, and guidelines of the government. Members of the cabinet answered various questions from the deputies and elaborated on the details of some key problems.

Afterward, Prime Minister Vo Van Kiet contributed more ideas on the following major issues:

1. An assessment of Vietnam's present socioeconomic situation;
2. Some concrete issues in the draft 1993 socioeconomic development plan; and
3. The responsibility of the echelons of state agencies in supervising the implementation of tasks.

Communique No 8

BK1912160592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Dec 92

["Communique No. 8 of Ninth National Assembly's Second Session"]

[Text] On 19 December, the National Assembly held its plenary session at the Conference Hall under the direction of National Assembly Chairman Nong Duc Manh.

In the morning, the National Assembly listened to Prime Minister Vo Van Kiet's address on issues concerning the socioeconomic situation and major national projects that had been given attention by the deputies during the session.

Late in the morning and afternoon sittings, the National Assembly discussed the draft bill amending and supplementing a number of the articles of the Law on Land.

21 Dec Proceedings

BK2112064492 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 21 Dec 92

[Text] This morning the Ninth National Assembly's Second Session held a plenary meeting at the conference hall in Hanoi under the chairmanship of Phung Van Tuu, vice chairman of the National Assembly.

The National Assembly heard comrade Nguyen Dinh Loc, minister of justice, report on the draft bill on supplementing and amending some articles of the Criminal Code and the Law on Criminal Procedures. Comrade Nguyen Van Yeu, on behalf of the National Assembly's Secretariat, read the full text of the draft bill.

Afterward, the National Assembly deputies expressed their views on some articles of the draft bill and voted to approve it.

The National Assembly will continue its work at the conference hall in the afternoon to review and discuss the draft bill on amendment to the Law on Foreign Investment in Vietnam.

Government Plans To Ease Ban on PRC Imports

BK1912095892 Hong Kong AFP in English 0318 GMT 19 Dec 92

[Text] Hanoi, Dec 19 (AFP)—Vietnam plans to ease its three-month-old ban on imports of 17 types of goods to end price-gouging by local merchants, Vice Minister for Trade Le Kim Lang was quoted Saturday as saying.

Lang told the National Assembly that the import ban had succeeded in allowing local industries to get rid of overstocks and increase production, the official NHAN DAN daily reported.

But he acknowledged that some merchants had taken advantage of scarcities to demand extravagant prices.

As a result, Hanoi will allow imports of some categories of banned goods to resume shortly, Lang said, without specifiying which ones.

The ban imposed in September applied to 17 categories of goods commonly imported from China, including textiles, paper, beer, batteries, and bicycles.

Lang said the import restrictions would be fully lifted once measures were in place to check smuggling and properly tax imports.

Vietnam's efforts to regulate trade have been impeded by a long-running dispute with China over demarcation of their common border.

Vice President Receives Outgoing Thai Ambassador

BK1812150992 Hanoi VNA in English 1427 GMT 18 Dec 92

[Text] Hanoi VNA Dec. 18—Vice-president Nguyen Thi Binh received here this morning Thai Ambassador Mr. Suraphong Chaiyanam who paid her a farewell visit, concluding his term of office in Vietnam.

Speaking to her guest, Vice-president Nguyen Thi Binh expressed her joy at the recent development of the relations between the two countries in the interests of the two peoples and for peace, stability and cooperation in the Southeast Asia. She wished that the two countries would join efforts to continue to carry out their agreements on cooperation as well as on the settlement of existing problems in the spirit of mutual trust, understanding and benefit.

Thai Foreign Minister To Visit in 'Near Future'

BK2012145292 Hanoi VNA in English 1350 GMT 20 Dec 92

[Text] Hanoi VNA December 20—His Excellency Prasong Sunsiri, foreign minister of Thailand, will pay an official visit to Vietnam in the near future at the invitation of Foreign Minister Nguyen Manh Cam, the Vietnamese Ministry for Foreign Affairs announces today.

Vo Van Kiet Congratulates New Russian Premier

BK1812062592 Hanoi VNA in English 0613 GMT 18 Dec 92

[Text] Hanoi VNA December 18—Prime Minister Vo Van Kiet today extended his congratulations to Viktor Stepanovich Chernomydrin on his election as prime minister of the Russian Federation. Prime Minister Vo Van Kiet expressed his wish for the further consolidation and development of the relations of friendship and traditional cooperaiton beween the people of Vietnam and Russian Federation.

Relations Possible With Czech, Slovak Republics

BK1812063792 Hanoi VNA in English 0617 GMT 18 Dec 92

[Text] Hanoi VNA December 18—The Vietnamese Government is prepared to recognise the Czech Republic and the Slovak Republic and establish diplomatic relations at ambassadorial level with them as soon as they declare their independence. The statement was made by Ha Van Thang, head of the 2nd Department for Eastern Europe of the Foreign Ministry while receiving Czechoslovak Ambassador Jan Gonzor in Hanoi on Tuesday.

Mr. J. Gonzor thanked the Vietnamese Government for the decision and said he hoped that the friendly and cooperative ties between Vietnam and the two new republics would be constantly promoted.

French Parliamentary Delegation Visits

BK1812151792 Hanoi VNA in English 1415 GMT 18 Dec 92

[Text] Hanoi VNA December 18.—A delegation of the French chapter of Alliance Internationale des Parlementaires de la Langue Francaise (AIPLF) led by Mr. E. Peter, member of the French Parliament and member of the secretariat of the French chapter, has paid an official visit to Vietnam for cooperation between the legislative organizations of the two countries in personnel training, and in French teaching and learning in Vietnam.

While here, the French guests were received by National Assembly Chairman Nong Duc Manh and Vice President Madame Nguyen Thi Binh.

The guests held talks with a delegation of the Vietnamese chapter of AIPLF led by President Prof. Nguyen Ngoc Tran, and discussed with Mr Vu Mao, head of the National Assembly office, on some cooperation projects. They met with Hoang Bich Son, chairman of the National Assembly Commission for External Relations, Tran Hong Quan, minister of education and training, Nguyen Dy Nien, deputy foreign minister and visited the French faculty of the Hanoi Foreign Languages Teachers College and the Centre for French Language and Civilisation in Hanoi.

The French delegation also visited Ho Chi Minh City.

Australia

Evans Reviews PNG Use of Australia-Supplied Arms

BK1912103492 Melbourne Radio Australia in English 0800 GMT 19 Dec 92

[Text] Australian Foreign Minister Gareth Evans has asked for a full report on a claim by a Roman Catholic Marist brother that he was shot at by Papua New Guinea [PNG] troops from an Australian-supplied Iroquois helicopter.

Brother Brian Leek said he and 11 others, including women and children, were attacked as they attempted to leave Bougainville for Solomon Islands in an outboard motorboat last Tuesday. Brother Brian, who has been in central Bougainville for three years, says Australia should question how its helicopters are being used by the PNG Army.

Four helicopters were provided by Australia in 1989 under the defense cooperation program with PNG on the understanding that they would not be used directly in combat. There have been repeated claims that the helicopters have been used as gunships in Bougainville.

Senator Evans has described the allegations as serious and says he is greatly concerned. He says he has raised the issue with the members of the PNG Government at today's annual intergovernment forum in Launceston in Tasmania.

It is the first Australia-PNG forum to be held since the election of the Wingti government in PNG last July.

PNG Minister Defends Action

BK2012082192 Melbourne Radio Australia in English 0500 GMT 20 Dec 92

[Text] Papua New Guinea [PNG]'s Defense Minister (Par Tohian) has defended action by PNG security forces against the boat attempting to leave Bougainville last week for Solomon Islands.

The PNG army helicopter given by Australia under the Defense Aid Agreement between the two countries fired on a boat containing 12 people including a Roman Catholic (Miras) Order Teacher.

Brother (Brian Leaks) said that the boat was heading for Solomon Islands and although no one was hurt in the incident he called on Australia to question PNG about how it uses its helicopter.

Australia Foreign Minister Gareth Evans asked PNG for a full report on the incident at the annual Australia, PNG Ministerial Forum being held this weekend at (Mansistan), Tasmania.

Mr. (Tohian) issued his report at the forum saying PNG helicopter had gone to investigate a boat at the mouth of the (Lolai River) in Bougainville. While it circled the boat, rifle fire had come from the boat first. (Mr. Tohian) said the security forces returned the fire and the people in the boat fled. He said the security forces [words indistinct] restraint as they could easily have blown up the boat and killed the occupants. The minister said if Brother (Brian Leaks) and others have valid reasons to leave Bougainville they should have sought the help of the PNG security forces. He said the route the boat was taking was the main one used by Bougainville Revolutionary Army to smuggle arms into the island.

Greepeace Searches for Japanese Plutonium Ship

BK1912074892 Melbourne Radio Australia in English 0500 GMT 19 Dec 92

[Text] A plane from the environmental organization Greenpeace has left Lord Howe Island off the east coast of Australia to search for the Japanese ship carrying a load of plutonium to Japan.

The search has been renewed after the New Zealand prime minister, Jim Bolger, revealed the Akatsuki Maru was in the Tasman Sea. The Akatsuki Maru is carrying between one and two tons of plutonium in a nonstop voyage from France to Japan for use in Japan's fast breeder nuclear power program.

Environmentalists from government have condemned the shipment on the grounds of a possible accident or raid on the vessel even though it is accompanied by a Japanese warship.

Greenpeace lost track of the ship in the Indian Ocean, but is now attempting to relocate it, so Pacific governments can be informed.

Many nations have said they did not want the ship or its cargo anywhere near their waters.

Ship Expected To Transit Pacific Nations' Waters

BK2012100892 Melbourne Radio Australia in English 0800 GMT 20 Dec 92

[Text] A Japanese ship loaded with plutonium is reported to be heading toward the waters of South Pacific states opposed to the presence of nuclear cargo. The vessel, the Akatsuki Maru, is carrying 1.7 tons of plutonium from France to use in Japan's nuclear program. The environmental group Greenpeace says the vessel appears to be heading towards the French territory of New Caledonia although the ship is still trying to avoid its route being known. Greenpeace says the vessel will almost certainly have to sail through the waters of some of the Pacific nations including Solomon Islands, Vanuatu, Kiribati, Fiji, and Tuvalu and possibly also Nauru and Marshall Islands. Greenpeace called Radio Australia's Sydney office that its plane operating from Australia's Lord Howe Island is tracking the ship between (Northat) Island and New Caledonia. Greenpeace and other groups fear a nuclear disaster if the ship is involved in an accident or terrorist attack.